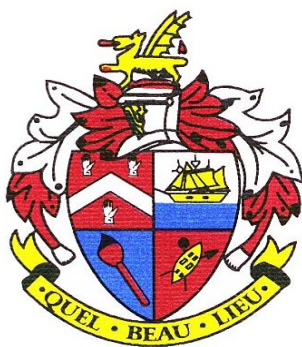


Richmond Municipality

Final Integrated Development Plan

2018/19 review





**RICHMOND MUNICIPALITY
UMASIPALA WASE RICHMOND**

**PREPARED BY: RICHMOND MUNICIPALITY DEVELOPMENT AND
PLANNING UNIT**

LED BY: MRS A.B MNIKATHI, MUNICIPAL MANAGER

CONTACT PERSON:

Manager: Development and Planning
57 Shepstone Street
Richmond, KZN
3780

Tel: 033 212 2155

Fax: 033 212 2102

EMAIL: mbongijobe@yahoo.co.uk

mbongiseni.sithole@richmond.gov.za

SUPPORTED BY: MANAGEMENT

For further information contact:

The Office of the Municipal Manager

Richmond Municipality

Private Bag 1028, 57 Shepstone Street

RICHMOND, KwaZulu-Natal, 3780

Tel: 033 – 212 2155 Fax: 033 – 212 2102

Email: mm@richmond.gov.za Website: www.richmond.gov.za

1 TABLE OF CONTENTS

CHAPTER 1: EXECUTIVE SUMMARY

2	Richmond idp : process plan	13
3	Key Challenges.....	29
4	What are we going to do to unlock and address our Key Challenges.....	32
5	What to expect from us, in terms of outputs, outcomes and deliverables, over the next five years	35
6	How will our progress be measured?	35
7	Government policies and planning and development principles	37

CHAPTER 2: PLANNING AND DEVELOPMENT PRINCIPLES

7.1	PLANNING AND DEVELOPMENT PRINCIPLES	37
8	GOVERNMENT POLICIES AND IMPERATIVES	42
8.1	NATIONAL DEVELOPMENT PLAN	42
8.2	MILLENIUM DEVELOPMENT GOALS	43
8.3	THE 14 NATIONAL OUTCOMES	43
8.4	medium term strategic framework	45
8.5	Back to basic policy	46
8.6	the provincial growth and development strategy(pgds)/kzn gds.....	47
8.7	STATE OF THE NATION ADDRESS	47
8.8	STATE OF THE PROVINCE ADDRESS	48

CHAPTER 3: SPATIAL ANALYSIS

9	SPATIAL ANALYSIS	50
9.1	Regional Context	50
9.2	Administrative Entities	52
9.3	Structuring Elements	52
9.4	Existing Nodes and Corridors	53
9.5	Land Cover and Broad Land Uses	57
9.6	Land Ownership.....	58
9.7	Land Reform.....	60
9.8	Land Capability	62
9.8.1	Private Sector Developments	64
9.9	Environmental Analysis.....	65
9.9.1	Biodiversity.....	65
9.9.2	Hydrology.....	66
9.9.3	Air Quality	66
9.9.4	Climate Change	66

9.9.5	Strategic Environmental Assessment	68
9.10	Spatial and Environmental Trends & Analysis	69
9.11	Spatial and Environmental: SWOT Analysis.....	71
9.12	Disaster Management.....	72
9.12.1	Municipal Institutional Capacity.....	72
9.12.2	Risk Assessment	73
9.12.3	Risk reduction and prevention	76
9.12.4	Response and recovery	76
9.12.5	Training and awareness.....	79
9.12.6	Funding arrangements.....	79
9.12.7	Disaster Management: SWOT Analysis.....	79
10	DEMOGRAPHIC ANALYSIS	81
10.1	Population	81
10.2	Ward Information	84
10.3	MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT.....	88
10.3.1	Municipal Transformation.....	88
10.3.2	Organisational Development	88
10.4	SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS	95
10.4.1	Water and Sanitation	95
10.4.2	Solid Waste Management	98
10.4.3	Transport Infrastructure	99
10.4.4	Energy	101
10.4.5	Access to Community Facilities	102
10.4.6	Human Settlements.....	103
10.4.7	Telecommunications.....	104
10.4.8	Service Delivery and Infrastructure: SWOT Analysis.....	105
11	LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS.....	106
11.1	LOCAL ECONOMIC DEVELOPMENT UNIT STRUCTURE.....	108
11.2	LOCAL GROWTH AND DEVELOPMENT STRATEGY (LGDS) – formerly local economic development (led) strategy.....	108
11.3	POLICY / REGULATORY ENVIRONMENT	110
11.4	ECONOMIC OVERVIEW AND RESPONSE TO ECONOMIC DRIVERS (SECTORS)	111
11.4.1	Local GDP.....	111
11.4.2	Employment	111
11.4.3	AGRICULTURE	112
11.4.4	TIMBER/LAND.....	118
11.4.5	INFORMAL ECONOMY	119

11.4.6	SMME's (Small, Medium and Micro Enterprise).....	122
11.4.7	Tourism.....	125
11.4.8	Manufacturing.....	127
11.5	Local Economic development – Swot Analysis.....	128
11.5.1	STRATEGIC / CATALYTIC PROJECTS RESPONSIVE TO SWOT AND COMPARATIVE AND COMPETITIVE ADVANTAGE	129
11.5.2	JOB CREATION – EXPANDED PUBLIC WORKS PROGRAMME AND COMMUNITY WORKS PROGRAMME.....	130
11.5.3	INVESTMENT ATTRACTION, BUSINESS EXPANSION AND RETENTION.....	133
11.6	Social Development Analysis	138
11.6.1	Broad Based Community Needs.....	138
11.6.2	Education	138
11.6.3	Health	140
11.6.4	Safety and Security	141
11.6.5	Nation Building and Social Cohesion.....	142
11.6.6	Community Development with particular focus on Vulnerable Groups.....	142
11.6.7	Social Development: SWOT Analysis.....	145
12	MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS	147
12.1	Financial Viability and Management Analysis.....	147
12.1.1	Capability of the Municipality to Execute Capital Projects	147
12.1.2	Indigent Support (Including Free Basic Services)	147
12.1.3	Revenue Enhancement and Debt management	149
13	GOOD GOVERNANCE AND PUBLIC PARTICIPATION.....	159
13.1	Good Government Analysis.....	159
13.1.1	National & Provincial Programmes Rolled-out at Municipal Level.....	159
13.1.2	IGR.....	163
13.1.3	Municipal Structures	164
13.1.4	Audit Committee	166
13.1.5	Status of Municipal Policies.....	166
13.1.6	Municipal Risk Management	173
13.1.7	Municipal Bylaws	173
13.2	Public Participation Analysis.....	175
13.2.1	Good Government and Public Participation: SWOT Analysis.....	176
13.2.2	COMBINED SWOT ANALYSIS	178
13.3	KEY CHALLENGES	178
13.4	WARD BASED PLANNING	179
13.5	LAND USE MANAGEMENT	179

CHAPTER 4: VISION, GOALS, OBJECTIVES AND STRATEGIES

14	VISION, GOALS, OBJECTIVES AND STRATEGIES.....	182
14.1	OBJECTIVES AND STRATEGIES.....	183
14.2	ALIGNMENT OF KZN PGDS GOALS WITH RICHMOND LOCAL MUNICIPALITY GOALS, OBJECTIVES AND STRATEGIES.....	183

CHAPTER 5: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

15	STRATEGIC MAPPING AND IMPLEMENTATION PLAN.....	190
15.1	Structuring Elements	190
15.2	Environmental Sensitive Areas	191
15.3	Development Nodes and Corridors	194
15.4	Desired Spatial Outcome	195
15.4.1	PLANNING STRATEGIES	196
15.4.2	Access Routes as Investment Lines.....	196
15.4.3	Alignment with Neighbouring Municipalities	198
16	Implementation plan	200

CHAPTER 6: FINANCIAL PLAN

17	FINANCIAL PLAN.....	216
17.1	Municipal Budget Overview	216
17.1.1	AG COMMENTS AND RESPONSES.....	264
17.2	management letter	265
17.3	SECTOR DEPARTMENTS	268
17.3.1	Department of Arts and Culture	268
17.3.2	uMngungundlovu district municipality	268
17.3.3	Department of Health	268
17.3.4	Department of Human Settlements	269
17.3.5	Department of Education	270
17.3.6	Department of Health	275
17.3.7	Department of Transport.....	275
17.4	THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN.....	276
17.4.1	The Concept of the SDBIP	276
17.4.2	Process of Formulation	277
17.4.3	Timing and Methodology for Preparation of Service Delivery and Budget Implementation Plan (SDBIP)	277
17.4.4	Process for preparing and approving the SDBIP	278

CHAPTER 7: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

18	ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM	279
18.1	GUIDING PRINCIPLES	280

18.2	ANNUAL PERFORMANCE REPORT OF PREVIOUS YEAR	282
18.3	ORGANISATIONAL KEY PERFORMANCE INDICATORS LINKED TO DEPARTMENTAL INDICATORS (REFER BELOW)	283
18.4	DEPARTMENTAL INDICATORS LINKED TO OUTPUTS IN THE PERFORMANCE AGREEMENTS (REFER BELOW)	283
18.5	OUTPUTS IN THE PERFORMANCE AGREEMENTS LINKED TO ACTIVITIES IN THE OPERATIONAL PLANS AND INDICATORS (REFER BELOW)	283
	ORGANISATIONAL SCORECARD	283
18.6	CONCLUSION	328
CHAPTER 8: SECTOR PLANS		
	ANNEXURES	329

Abbreviations used in this document:

AIDS – Acquired Immune Deficiency Syndrome
ABET – Adult Based Education Training
AG – Auditor General
BBBEE – Broad Based Black Economic Empowerment
CFO – Chief Financial Officer
COGTA - Co-operative Governance and Traditional Affairs
CPF – Community Policing Forum
CLLR – Councillor
DAEARD – Department of Agriculture, Environmental Affairs and Rural Development
DEDT – Department of Economic Development and Tourism
DWA – Department of Water Affairs
DPPSS – Development Planning Shared Services
EIA – Environmental Impact Assessment
EXCO – Executive Committee
EKZNW- Ezemvelo KZN Wildlife
EPWP – Expanded Public Works Programme
GIS – Geographic Information System
GVA – Gross Value Added
HIV – Human Immunodeficiency Virus
ICT – Information Communication Technology
IDP – Integrated Development Plan
IGR – Inter Governmental Relations
JMPT – Joint Municipal Planning Tribunal
KPA – Key Performance Area
KPI – Key Performance Indicators
LED – Local Economic Development
LM – Local Municipality
LUMS – Land Use Management Scheme
MANCO – Management Committee
MFMA – Municipal Finance Management Act
MPAC - Municipal Public Accounts Committee
MM – Municipal Manager
MSA – Municipal Systems Act
mSCOA: Municipal Standard Charts of Accounts
NDP – National Development Plan
NSDP – National Spatial Development Perspective
NGO – Non Governmental Organisation
OSS – Operation Sukuma Sakhe
PMS – Performance Management System

PGDS – Provincial Growth and Development Strategy

SDBIP – Service Delivery and Budget Implementation Plan

SDF – Spatial Development Framework

SAPS – South African Police Service

SEA - Strategic Environmental Assessment

SMME – Small Micro Medium Enterprise

SPLUMA – Spatial Planning and Land Use Management Act

UMDM –uMgungundlovu District Municipality

VIP– Ventilated Pit Latrine

MAYORS FORWARD BY HIS WORSHIP MR S.J MCHUNU

It pleases me to present the 2018/2019 IDP review.

It has become a norm in terms of existing regulations, councillors and officials have undertaken the rigorous process of public participation with regards to the IDP review and ensured that prioritisation has taken place, involving the Ward Committees and the community.

We have found the interaction with the community very interesting and stimulating as members have become familiar with the processes involved. We are faced with the challenge of using scarce resources to maintain and lift our ability to continue to ensure service delivery remains a priority to uplift the living conditions of our people.

We are confident that our IDP 2018/19 review will address, to a large extent, the concerns of our people as it goes a long way to try and implement the projects as identified in our IDP and the National Development Plan.

We are attempted to cater for the needs of the people and improving our service delivery. In all 7 wards we attempted to hold meetings to review our IDP and align it to the Budget. It was interesting to find that majority of our community have learnt the processes which we adopt and contributed well to the process.

However, we must accept that it is almost impossible to address all the needs of the people at once and that implementation of projects will continue to be slow in some areas as we strive to secure sufficient funds to succeed.

We wish to convey our sincere thanks and appreciation to our councillors, Ward Committee members and the community for their wonderful response for suggestions and input. We will need to improve our income and ensure that people pay for services so that we can provide more in terms of infrastructure and renewal and maintenance of equipment.

In terms of job creation and the implementation of the EPWP programme, we have made good strides and hope to ensure that our programme of so-operative is successful and continue to provide more employment in our community. We will remain committed to service delivery excellence. I thank you.

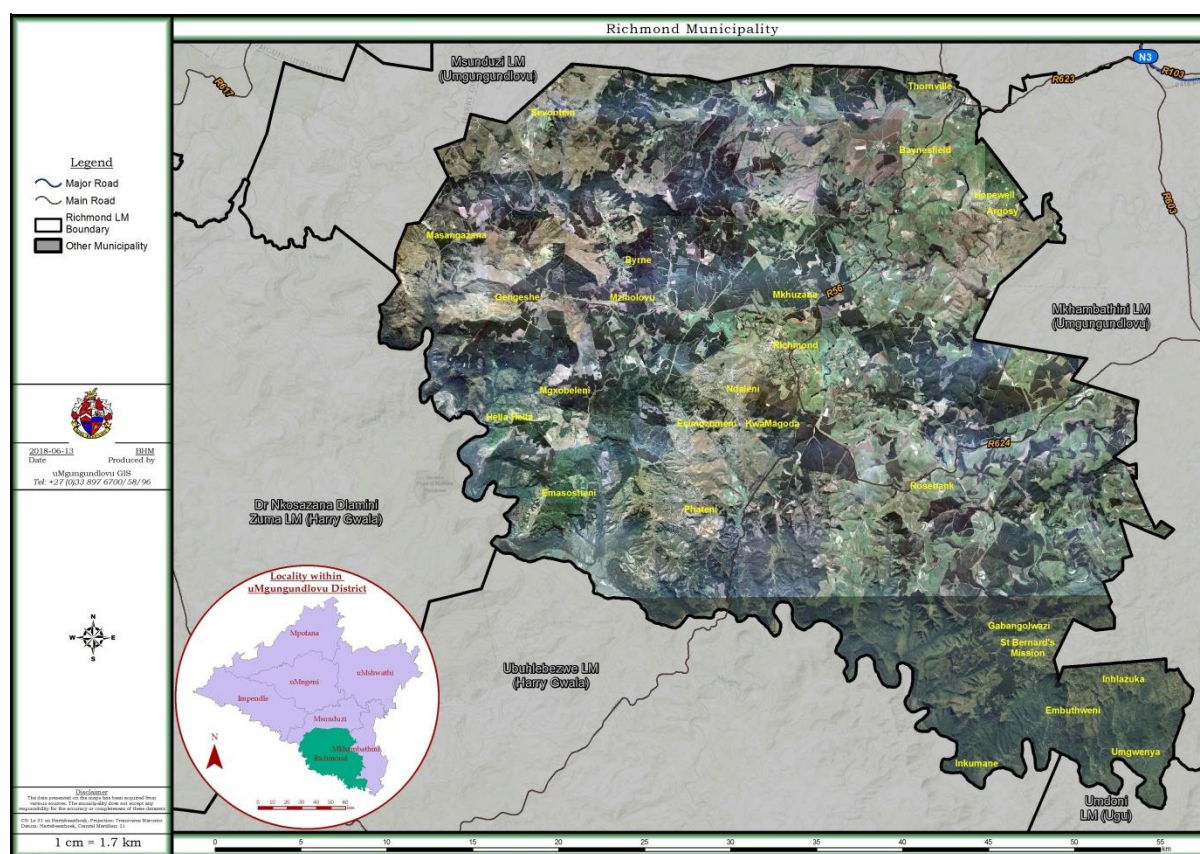
Cllr S.J Mchunu, Honourable Mayor.

CHAPTER 1: EXECUTIVE SUMMARY

1. Who are we?

Richmond Municipality (KZ227) is one of the category B municipalities and comprises of seven (7) wards. It is located on the southern part of the uMgungundlovu District Municipality (DC22) and is approximately 38 kilometres south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. It is bordered by Umsunduzi Municipality to the north, Ingwe Municipality to the west, Mkhambathini Municipality to the east and Ubuhlebezwe and Vulamehlo Municipalities to the south. It is approximately 1232 square kilometres in extent with an estimated population of 71 322 and 17 570 households; it is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities. The map below shows Richmond Geographic location

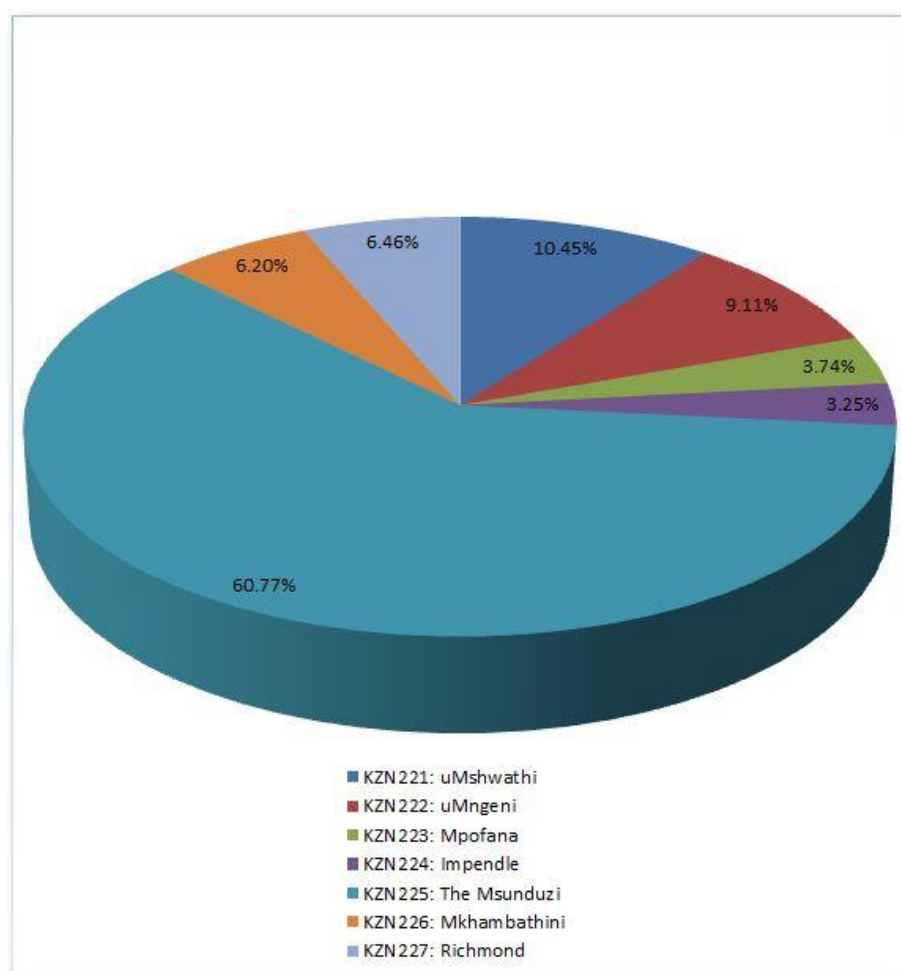
Map 1. Richmond municipality locality map



The majority of the population resides in areas which are predominantly rural and which are characterized by low levels of basic services and facilities and substantial unemployment. The village of Richmond Ward 1 is the only urban centre which is recognized as the main economic node due to the services provided and nature of activities which exist in association with the legal services, primary health care, pension pay point, education and welfare office and similar state services. Land uses within this area are typically urban mixed uses with high levels of limited infrastructural and services development and an adequate provision of social facilities and services to support the resident populations.

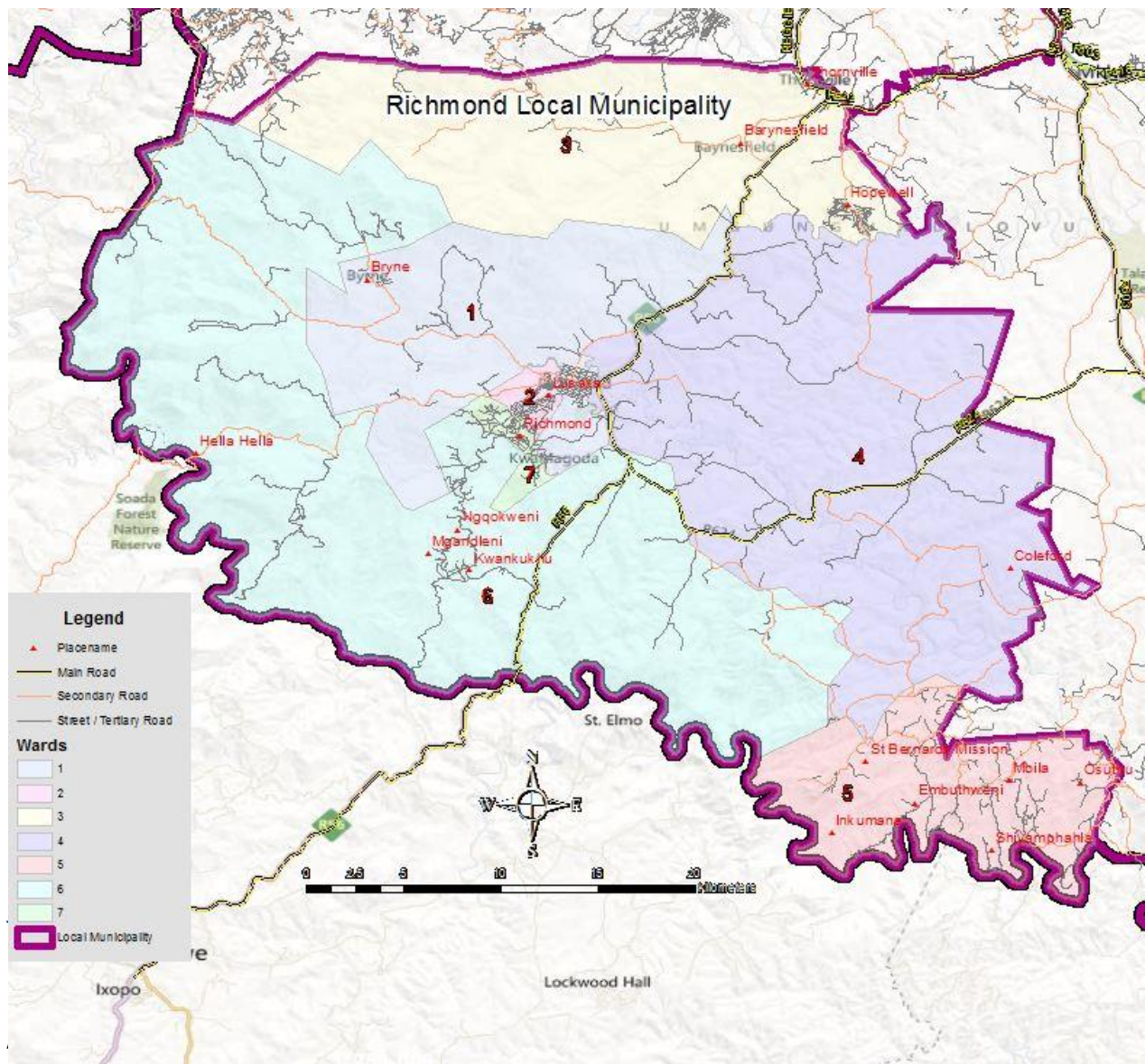
Richmond is located on the southern part of the UMgungundlovu District Municipality (DC22) and is approximately 38 kilometres south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. The figure below indicates that Msunduzi is the most populated local municipality and that Richmond municipality has the fourth largest population within the district.

Figure 1. District Population



Source: (Census 2011)

Map 1. Richmond Municipality by Ward



largest employer of the municipal population. In this way agriculture is the backbone of the Municipality's economy. This suggests that preservation of high quality agricultural land is very important and development should therefore be responsive to the need of preservation.

Richmond's location can be unfavourable in that the booming economy of the Capital City which has resulted in an exit of skilled and learned persons as well as the relocation of Industry from Richmond to other areas and coupled with various other factors. Richmond has seen an increase in unemployment, an increase in poverty and a decrease in investment. Added to this is the unmistakable absence of municipal resources needed to

meet the demand of the ever increasing need for service delivery to the poor, excluded and vulnerable.

In order to achieve success from its advantageous and to counteract its disadvantageous characteristics, Richmond must focus on its strength which is agriculture.

The Municipality must also continually strive towards a positive change of mindset and gear towards marketing the constructive attributes in terms of spatial assets (industrial nodes, location in terms of identified corridor development, proximity to N3 and R56), agriculture and agro processing, nature based tourism, specialized manufacturing and farming.

2 RICHMOND IDP : PROCESS PLAN

The development of the IDP involved engagement of various stakeholders. This is well documented in the Process Plan. The document represents the Integrated Development Plan Processes for co-ordinating the 2018/2019 IDP and also informs the 2018/2019 budget processes as prepared by the Richmond Municipality (KwaZulu-Natal) after following the processes as contained in its adopted Integrated Development Plan Process Plan for 2018/19. In developing the Integrated Development Plan 2018/19, the Richmond Municipality was obliged to take cognizance of and was responsive to the various pieces of legislation, its Environment, Sector Department Plans, the State of the Nation Address, State of the Province Address, Development Goals as contained in various programmes and strategies of National and Provincial Government, the needs of the community, the current Socio and Economic trends

The Richmond Municipality – in co-ordinating its Integrated Development Plan – has also taken cognizance of the fact that a truly successful Integrated Development Plan is a plan which is owned by its citizens who hold some responsibility for the information, programmes and projects as contained in the Integrated Development Plan document and further that the Integrated Development Plan, although reviewed annually needs to be implemented daily with long term development strategies and goals always remaining in the fore to ensure that constant growth is enhanced and strengthened thereby continually ensuring a social and economically viable and sustainable municipality.

The Richmond Municipality council adopted the final IDP process plan for the financial year 2018/19 on October 2017. Section 34 of the Municipal Systems Act (Act 32 of 2000) requires a municipality to review its Integrated Development Plan annually, taking into account the following: Comments received from the MEC for Co-operative Government and Traditional Affairs (CoGTA), and the Multi-sectoral Provincial IDP Forum. New Provincial IDP Guidelines released in 06 March 2018 by CoGTA Issues identified through self-assessment. Integration of new information, including changes in priorities, key issues and development patterns. Integration of sectoral plans. This process plan is a guide for the compilation of the Integrated Development Plan (IDP), it involves workshops, forum meetings and public participation meetings. The following table illustrates the IDP Process Plan.

Table 4.IDP Process plan

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
Critical milestone (below is working forward to achieve it)	Milestone 1 (IDP Preparation phase): Submission of 2017 /2018 IDP Framework and Process Plans to CoGTA and Treasury	31 July 2017	All Municipalities to CoGTA and Treasury	Submitted Framework and Process plans
IDP	Meeting with Local Municipalities/ Extended Planning sub cluster on IDP-Budget-OPMS	13 July 2017	All municipality	Attendance register-
IDP-BUDGET-OPMS	Prepare 2017 /2018 IDP / Budget /OPMS Process Plans	13 – 28 July 2017	All municipalities	Drafts FP-PPs completed
IDP	Circulate the draft Process or framework plan internally for	14 – 21 July 2017	District municipality-IDP office, All	Circulated draft

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	preliminary comments and inputs		municipalities	
IDP	Submit Draft Framework/Process Plans to COGTA	31 July 2017	All municipalities	Letter of acknowledge
IDP	Final Process Plans	28 September 2017 per Cogta	All Municipalities	Letter of acknowledgements
OPMS	Signed S54 and 56 Manager's Performance Agreements – S53 MFMA and S57 MSA	28 July 2017	All Municipalities	Signed performance agreements and place on website within 14 days
Critical milestone (below is working backwards to achieve it)	Milestone 2 : IDP Phase 1 Analysis /Status Quo analysis	26 September – end October 2017	All municipalities	Status quo analysis reports
IDP	<ul style="list-style-type: none"> ➤ MEC Panel assesses submitted 2017/2018 IDPs ➤ Draft Process Plan comments 	24 July – 01 August 2017 31 August 2017	MEC Panel	Results of the assessment and response

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	➤ Sustainable Living Exhibition	TBA	MEC COGTA, Sector Departments, Municipal representatives	
IDP	➤ Planning Indaba/MEC Panel feedback	22 September 2017	COGTA, Sector Departments, Municipal representatives	Final IDP assessment results
IDP	Meeting with Local Municipalities/Planning sub cluster on IDP	15 September 2017	All municipalities and Department of Social Development- Population Unit, KZN Treasury and StatsSA.	Draft status quo reports and data alignment
IDP	Collect data to review Status Quo of the Municipality	04 August 2017	All municipalities	Verified data
IDP- INCORPORATING BUDGET AND OPMS	Assess the status of sector plans and policies	1 – 11 August 2017	All municipalities	Updated table indicating status of reviewed strategies, sector plans and policies
OPMS	Draft 2016 / 2017 Annual Performance	25 August 2016	MM / PMS Manager	Draft 2016 / 2017 Annual Performance

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	Report – S46 MSA			Report – S46 MSA
IDP- INCORPORATING BUDGET AND OPMS	Submission and adoption of final Draft Process Plan /FP to all relevant Council Committees	1-30 September 2017	All municipalities	Final drafts submitted and adopted
BUDGET	2017 / 2018 First Quarter Budget Review	19 October 2017– Internal 13 October 2017– Treasury (3 rd wk. after end of Quarter)	Finance	Budget review report
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA and Reg 14 PPMR	Quarterly	MM / Internal Audit / PAC	Quarterly performance reports
IDP	Advertise Process Plans	01– 23 September 2017 or before	District municipality/all municipalities	Copies of adverts
IDP	Consult Private Sector, Sector Departments,	August – September	All municipalities	Schedule of consultations

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	Parastatals, NGOs etc. on status quo of the district-one-on-one and Ward-based engagements	2017		
IDP	Update Report on alignment for this Phase to MMs Forum	07 September 2017	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	September 2017	District Municipality	Phase Update reports
IDP	Status Quo Report to Exco – to Full Council as from next month	26 September 2017	District Municipality/all municipalities	Status Quo Report to Exco /Council
IDP	➤ Rep Forum meeting	28 September 2017	District municipality/Local Municipality	Phase update reports
Critical milestone (below is working backwards to achieve it)	Milestone 3 Phase 2 & 3 of the IDP: Review Strategies & projects	23 November 2017	All municipalities	Reviewed strategies report
IDP	Review municipal strategies	2– 17 November	All municipalities	Report on reviewed

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
		2017		strategies
IDP-BUDGET	First community consultative process (Imbizos)	November 2017	Local Municipality (Mayor)	Project wish list from all 7 wards
World Planning Day Event	Attend the event	08 November 2017	CoGTA, stakeholders and municipalities	Attendance
DGDP-IDP Alignment Session for DC22 family and stakeholders	Participation and presentation of progress	10 November 2017	OTP, CoGTA, Stakeholders and all municipalities in DC22	Attendance and progress report/draft plan o the DGDP review
IDP-OPMS-BUDGET	Develop the measurable objectives for the next financial year and include the required budget for achieving those objectives	20 November 2017	Internal Departments	Reports /inputs in required format(Mscoa key dates indicated)
OPMS	Internal Audit Reports on performance information must be submitted to the MM and Performance Audit Committee – S45 MSA	Quarterly	MM / Internal Audit / PAC	Quarterly performance reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	and Reg 14 PPMR			
IDP	Meeting with local municipalities to discuss strategies reports /sub cluster	17 November 2017	All municipalities	Alignment of strategies report (progress on mscoa requirements)
IDP	Consult Private Sector, Sector Departments, Parastatals, NGOs etc. on strategies and priorities of the district- IDP Representative Forum	23 November 2017	District municipality (joint engagement of all municipalities, registered stakeholders and service providers)	Aligned Programmes reports
IDP	Update Report on alignment for this Phase to MMs Forum	12 October 2017	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	25 October 2017 (per Calendar)	District Municipality	Phase Update reports
IDP	Strategies Report to Exco/Full Council	21 November 2017 01 December 2017	District / All Municipalities per Council calendars	Item: reviewed strategies report for approval

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Feedback and Sector – Municipal Alignment sessions under the auspices of COGTA-uMgungundlovu District	10 November 2017	COGTA, Municipal Representatives- all managers, Sector Departments and State-Owned Enterprises (SOEs)	Alignment of MTSFs, MTEFs, programmes and budgets
IDP	Prioritization of IDP projects	01– 13 December 2017	All municipalities	Projects prioritization lists integrated into the IDP
BUDGET	2017/18 Budget Performance Assessment –S72 MFMA	24 January 2018	Finance	Budget Performance report
BUDGET-IDP	2018/19 Interdepartmental Budget Inputs	25 January– 03 February 2018	Council Internal Departments	Completed templates aligned to IDP format (mscoa)
IDP	Meeting of COGTA, Sector Departments and Municipalities on IDP drafting and assessment	09 February 2018	COGTA, Sector Departments and Municipalities	Attendance

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	process for 2018/19			
IDP- BUDGET- SDBIP	Alignment of IDP and Budget towards SDBIP	By 15 March 2018	All Municipalities / Departments	Completed templates aligned to IDP format
OPMS- BUDGET	Mid-year budget review/adjustment and performance assessment	23 January 2018	MM / CFO / S57 Managers / PMS Manager	Budget adjustment and managers performance report
OPMS	Schedule Performance Audit Committee meetings at least twice a year – Reg 14 PPMR	30 January and 31 July 2018	MM / Internal Audit / PAC	Minutes of Committee meetings
Critical milestone (below is working backwards to achieve it)	Milestone 4 Phase 4 & 5 of the IDP: Integration and approval/ Adoption and submission of Draft 2018/ 2019 IDPs to COGTA and Budget to Treasury	23 March 2018	All municipalities DCOGTA AND TREASURY	
BUDGET	2018/2019 First Draft Budget	09 March 2018 14 March 2018 16 March	Finance Committee Exco	First Draft Budget report

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
		2018	Full Council	
IDP	Municipalities submit draft 2018/19 IDPs to COGTA	23 March 2018	COGTA and all municipalities	Proof of submission of draft reviewed IDP
SDBIP	Municipalities submit draft 2018/19 SDBIP to Treasury and CoGTA	23 March 2017	Treasury and all municipalities	Proof of submission of draft reviewed SDBIP
IDP	Update Report on alignment for this Phase to MMs Forum	March 2017 (per Calendar)	District Municipality	Phase Update reports
IDP	Update Report on alignment for this Phase to Mayors Forum	March 2017 (per Calendar)	District Municipality	Phase Update reports
BUDGET	Grants Notification to Local Municipalities	12 March 2018	District Municipality	Grants Notification report circulated
IDP	Adoption of Draft IDP by Council	Before end March 2018	All Municipalities	Council Resolution
IDP	Submission of Draft IDPs to COGTA	30 March 2018	All Municipalities DCOGTA	Proof of submitting the draft IDP on time to CoGTA

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP & BUDGET	Advertise Draft IDPs and draft Budget for Public Comments	01 April– 24 April 2018	All Municipalities	Copies of adverts and directions
OPMS	Review OPMS Policy and prepare draft OPMS scorecard for inclusion into draft IDP (Ensure draft scorecard indicators are aligned to IDP objectives)	Before end of June 2018	S56 Managers / IDP Manager / PMS Manager	Aligned process
Critical milestone (below is working backwards to achieve it)	Milestone 5: Assessment of Draft 2018/2019 IDPs and self-assessment	26 April 2018	All Municipalities DCOGTA Sector Depts.	
IDP	Meeting with local municipalities – planning sub-cluster on IDP for self-assessment and planning for joint izimbizo. Also prepare for assessments	03 April 2018	All Municipalities	Circulated self-assessment tool and draft izimbizo contents. Finalize allocated roles for assessments presentations.
IDP	Convening of	11 April 2018	COGTA,	Attendance and

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
	decentralised IDP Assessment Forums		Municipal Representatives, Sector Departments and State-Owned Enterprises (SOEs)	reports
IDP	IDP Forum on draft IDP	26 April 2018	District	Meeting
IDP	IDP Alignment feedback session based on IDP assessment frameworks	11 May 2018	COGTA: IDP Coordination Business Unit, COGTA Sector Departments Municipal representatives and SOEs.	Attendance and reports
IDP & BUDGET	Present Draft IDP and Budget to the community (Izimbizo) and all stakeholders	April 2018 (actual dates to be published) LMs in January 2018-DM to attend)	All Municipalities jointly-(Speakers Forum)	Approved and published schedule of dates for Izimbizo
Critical	Milestone 6: Adoption	29 June 2018	All	

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
milestone (below is working backwards to achieve it)	and Submission of final 2018/19 IDPs to CoGTA		Municipalities CoGTA AND ALL	
IDP & BUDGET	Incorporate public comments on Draft IDP and Budget	03 -10 May 2018	All Municipalities	Incorporated comments
IDP	Incorporate comments from the Assessment panel from COGTA	15 May 2018	All Municipalities	Response-table
BUDGET	Table Final Draft Budget Approve Final Budget 2018 /2019	May 2018 May 2018 May 2018	Finance Committee Executive Committee Full Council	Minutes Council Resolution
IDP- BUDGET- OPMS	Address comments from the Auditor General on the Annual Report of the previous Financial Year	29 March 2018	All Municipalities	Response-table
IDP	Update Report on alignment for this Phase to MMs Forum	March 2018 (per Calendar)	District Municipality	Phase Update reports

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
IDP	Update Report on alignment for this Phase to Mayors Forum	March 2018 (per Calendar)	District Municipality	Phase Update reports
IDP	Present Final Draft IDP to Exco	May 2018	District Municipality	Item: final draft IDP
IDP-OPMS	Adoption of 2018/19 IDP and performance targets by Council	May 2018	District Municipality/local municipality	Council Resolution
OPMS	Approved Departmental SDBIPs / Scorecards – S53 MFMA	25 June 2018	Mayor /MM (PMS Manager)	Report
OPMS-IDP	Approved Municipal / Organisational Scorecard – S44 MSA	25 June 2018	PMS Manager &MM	Report
OPMS	Performance Reports twice a year – Reg 13 PPMR, Council, PAC midyear	Council 24 January PAC February 2018 and for APR before end of August 2018	Mayor / MM / PMS Manager / S56	Reports
IDP-BUDGET	Submit and publish adopted IDP/Budget to COGTA and Public	10 days after adoption date or latest 10 July 2018	All Municipalities COGTA	Copies of adverts and directions

ALIGNED PROCESS	ACTIVITIES AND MILESTONES	TARGET DATES	RESPONSIBILITY	OUTPUTS
OPMS	Draft 2016 / 2017 Annual Performance Report – S46 MSA	24 August 2018	MM / PMS Manager	Report
OPMS	Prepare 2017/ 2018 Performance Working Paper File and submit to AG after necessary approvals	31 August 2018	MM / PMS Manager / Internal Audit	Report
IDP	MEC Panel assesses Reviewed IDPs	20 July – 2018 (per CoGTA)	COGTA-led panel	MEC Letters

3 KEY CHALLENGES

The main challenges faced by the Richmond Municipality in this Integrated Development Plan co-ordination relate to economic, infrastructure, socio-economic, spatial and housing issues as well as issues relative to socio facilities and services and sustainable infrastructure.

Richmond Municipality undertook a Strategic Planning Session from the in September 2017 . The session was facilitated by the municipal manager, managers, Municipal Executive Committee, and Councillors. A swot analysis approach analysing the 6 key Performance Areas was utilized to have an understanding of internal an external challenges affecting the municipality. The table below indicates the key challenges indentifid as per key performance area.

Table 1. Municipal key challenges

Key Performance Area	Challenges
Cross Cutting Interventions	<ul style="list-style-type: none"> • Spatial inequalities • Lack of communication between Ingonyama Trust Board and the Municipality • Lack of community awareness on Land use matters • Land legal matters (Illegal developments).
Municipal Transformation and Organisational Development	<ul style="list-style-type: none"> • No financial resources to fill all vacant posts • Effective Human Resource Management and Development. • Implementation of staff Performance Management • Ensure safety and security of municipal buildings and environment.

	<ul style="list-style-type: none"> • Effective and reliable Information Communication Technology Environment.
Local Economic Development and Social Development	<ul style="list-style-type: none"> • Lack of promotion on tourism • Robust regulation of the business environment. • Robust regulation of community buildings and developments. • Implementation of the Agri-Park programme (Rural Development & Land Reform) • Preservation of heritage and enhancement of the Tourism sector. • Lack of capacity to effectively carry out LED • Enhance rural development through Agriculture. • Creation of jobs through LED and various other municipal programmes (LED Strategy Implementation). • Implementation of Poverty Alleviation programmes.
Municipal financial Viability and management	<ul style="list-style-type: none"> • Lack of asset management • Grant dependent for infrastructure • Poor Revenue Enhancement and management. • Effective and compliant Supply Chain Management. • Compliant Financial Management and credible financial reporting.

<p>Service Delivery and Infrastructure Investment</p>	<ul style="list-style-type: none"> • Robust reduction of backlogs in electricity, roads and public facilities • Provision, preservation and maintenance of municipal facilities • Social cohesion and nation building (social ills). • Environmental protection through effective waste management programmes (Reduce, Reuse and Recycle). • Facilitate robust provision of economic infrastructure • Compliant property development (private and business buildings) in terms of the NBR • Housing backlogs • Implementation of literacy improvement programmes • Containment and reduction of HIV/AIDS prevalence.
<p>Good Governance and Public Participation</p>	<ul style="list-style-type: none"> • Effective and compliant Municipal Governance • Lack of review and implementation of municipal policies • Implementation of a comprehensive anti-Fraud and corruption programme • Organisational Performance Management and Reporting • Harness Public participation and

	<p>communication</p> <ul style="list-style-type: none"> • Compliance with mSCOA • Legislative compliance • Combat Land Invasions • Mainstreaming of Special Programmes and increase participation of designated groups
--	--

What is our long term Vision?

In strategic planning session held in 2016 Richmond municipality adopted a vision in order to align with the national and provincial plans. The Municipal long-term vision is:

VISION

Richmond Municipality will be a competitive friendly and safe environment to work, do business and live in, offering a better life and access to quality service delivery to its employees, people and stakeholders by 2021

4 WHAT ARE WE GOING TO DO TO UNLOCK AND ADDRESS OUR KEY CHALLENGES

The Richmond Municipality seeks to improve the lives of its residents by developing strategic plans (Strategies) to address the challenges faced and to maximize output on the opportunities to create positive spin offs. The strategies will be developed in line with the National Development Plan (NDP), National Government MTSF and Provincial PGDS objectives. The following strategic local economic development thrusts and development initiatives must be taken into consideration in development of the strategies:

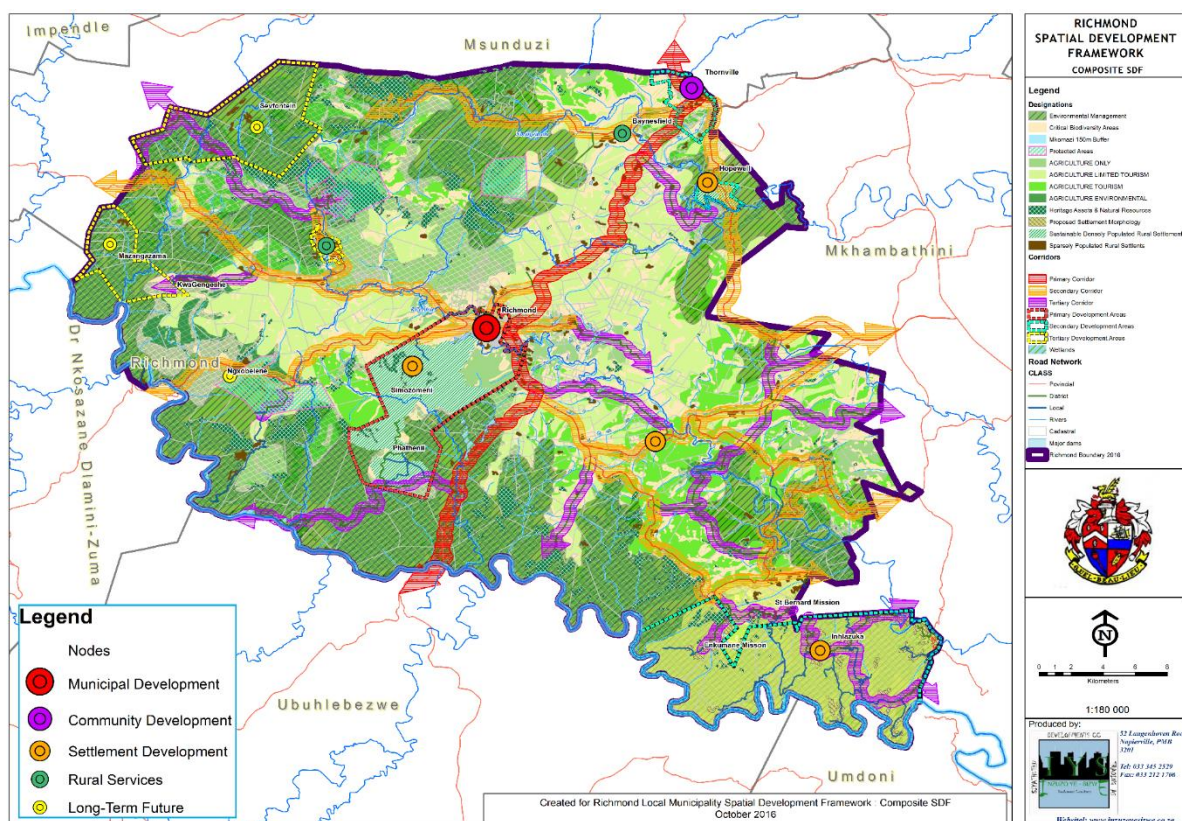
- Promoting development and investment that contributes to the regeneration of the economic hub as well as the development of the identified precinct (Thornville area)
- Provide for sufficient, affordable, reliable infrastructure services as well as the creation of an environment for the successful provision of basic

services

- Introducing incentives that attract development initiatives as well as the successful introduction of the Municipal Property Rates Act coupled with appropriate and applicable rebates
- Developing a skills database of the Municipality and procurement procedures in accordance with EPWP and AsgiSa principles
- Establishing and promoting SMME's and establishing co-operatives to maximize economic opportunities in the agricultural sector (timber and cane)
- Ensuring the regular maintenance and upgrade of existing infrastructure
- Promoting cultural community and integrated tourism development

The map below indicates a product of Spatial Development Framework which is a core component of the IDP. The map below also indicates the strategic areas for improvement.

Map 2. Richmond SDF



5 WHAT TO EXPECT FROM US, IN TERMS OF OUTPUTS, OUTCOMES AND DELIVERABLES, OVER THE NEXT FIVE YEARS

The municipal council has developed a set of twenty objectives across the six municipal goals that are also linked to the six Key Performance Areas and will form the basis of the work done in this term of office. In order to address our development challenges and deliver on our objectives, the municipality has developed a Capital and Operational Investment Plan to be delivered in the course of the next five years. The realisation of this plan rest on the effective pursuit of our financial objectives of increasing and enhancing revenue collection.

6 HOW WILL OUR PROGRESS BE MEASURED?

A Performance Management Policy has been adopted by council and incorporates an Organisational Score Card and is being implemented across all levels of human capital for the municipality. Performance Contracts and Agreements for Section 57 employees, Work Plans for all other employees as well as a Performance Plan/Scorecard in terms of a Service Delivery and Budget Implementation Plan (SDBIP) are signed.

The Organisational Scorecard is in place and the following accomplishments can be recorded:

- A developed SDBIP catering for the inclusion of activities and deliverables with associated milestones and as close as possible realistic targets
- The formulation, extension and review of Municipal Policies and Procedures
- Municipal Bylaws have been reviewed, translated and promulgated in the Provincial Government Gazette.

CHAPTER 2: PLANNING AND DEVELOPMENT PRINCIPLES, GOVERNMENT POLICIES AND IMPERATIVES

7 GOVERNMENT POLICIES AND PLANNING AND DEVELOPMENT PRINCIPLES

7.1 PLANNING AND DEVELOPMENT PRINCIPLES

The following are the planning and development principles that the municipality consulted while developing this IDP:

- Development / investment will only happen in locations that are sustainable (NSDP)
- Section 12(1) of the Spatial Planning and land use management Act indicated that national and provincial spheres of government and each municipality must prepare Spatial Development framework that –
 - a. Interpret and represent Spatial Development vision of the responsible sphere of government and competent authority,
 - b. Be informed by the a long term spatial development vision statement and plan (SPLUMA Act No 16 of 2013)
- Development should be within limited resources (financial, institutional and physical). Development must optimise the use of existing resources and infrastructure in a sustainable manner (CRDP, National Strategy on Sustainable Development)
- Stimulating and reinforce cross boundary linkages.
- Basic services (water, sanitation, access and energy) to all households (NSDP)
- Development / investment should be focused on localities of economic growth and/or economic potential (NSDP)
- In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes (NSDP)
- Land development procedures must include provisions that accommodate access to secure tenure (CRDP)

- Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilised
- Engagement with stakeholder representatives on policy, planning and implementation at national, sectoral and local levels is central to achieving coherent and effective planning and development.
- If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity (“Breaking New Ground”: from Housing to Sustainable Human Settlements)
- During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted (National Strategy on Sustainable Development)
- Environmentally responsible behavior must be promoted through incentives and disincentives (National Strategy on Sustainable Development, KZN PGDS).
- The principle of self-sufficiency must be promoted. Development must be located in a way that reduces the need to travel, especially by car and enables people as far as possible to meet their needs locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency (KZN PGDS)
- Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities (KZN PGDS)

The table below demonstrate how Richmond Municipality is applying the planning and Development principles in its area:

Table 1.Planning and Development principles

POLICY/PLAN	PLANNING AND DEVELOPMENT PRINCIPLES	APPLICATION OF PRINCIPLES
<i>NDP</i> <i>SPLUMA</i>	Development / investment must only happen in locations that are sustainable	The capital investment plan directs where massive expansion of transport, energy, water, communications capacity and housing should be
<i>NDP</i>	Basic services (water, sanitation, access and energy) must be provided to all households	The SDF investigated issues of water resources in the municipality
<i>CRDP</i>	Development should be within limited resources (financial, institutional and physical) Development must optimize the use of existing resources and infrastructure in a sustainable manner Stimulate and reinforce cross boundary linkage	The SDF identify areas with potential for development
<i>NDP</i>	In localities with low demonstrated economic potential, development / investment must concentrate primarily on human capital development by providing education and training, social transfers such as grants and poverty-relief programmes	The SDF highlights areas of poverty and directs investment at key nodes in order to improve quality of life through service delivery. It also directs spending at improving human capital through access to health, education and social welfare

<i>CRDP</i>	Land development procedures must include provisions that accommodate access to secure tenure Prime and unique agricultural land, the environment and other protected lands must be protected and land must be safely utilized	The SDF identified environmentally sensitive areas for preservation and conservation
<i>NDP</i>	Development / investment should be focused on localities of economic growth and/or economic potential	The municipal LED department promotes access of all local enterprise to internal and external business support resources
<i>HOUSING POLICY BREAKING NEW GROUND</i>	If there is a need to low-income housing, it must be provided in close proximity to areas of opportunity	The Richmond Municipality Housing Sector Plan makes provision for low cost housing projects
<i>NATIONAL STRATEGY ON SUSTAINABLE DEVELOPMENT</i>	During planning processes and subsequent development, the reduction of resource use, as well as the carbon intensity of the economy, must be promoted	The municipality should have environmental awareness campaigns to give information on global warming and how development affects the environmental resources
<i>KZN PGDS NATIONAL STRATEGY ON SUSTAINABLE DEVELOPMENT</i>	Environmentally responsible behavior must be promoted through incentives	The SDF identified environmentally sensitive areas for preservation and conservation
<i>KZN PGDS</i>	The principle of self-sufficiency must be promoted Development must be located in a way	Richmond Municipality SDF and LED Strategy

	that reduces the need to travel, especially by car and enables people as far as possible to meet their need locally. Furthermore, the principle is underpinned by an assessment of each areas unique competencies towards its own self-reliance and need to consider the environment, human skills, infrastructure and capital available to a specific area and how it could contribute to increase its self-sufficiency	
<i>KZN PDGS</i>	Planning and subsequent development must strive to provide the highest level of accessibility to resources, services and opportunities	New developments should be in support of agriculture as Richmond is an agricultural economy municipality

8 GOVERNMENT POLICIES AND IMPERATIVES

National policies and imperatives provides a framework within which development should take place. Richmond municipality acknowledges these and strive toward the effective implementation thereof.

8.1 NATIONAL DEVELOPMENT PLAN

The National Development Plan (NDP) introduces the long-term vision for the future development of South Africa. As such, the National Planning Commission (NPC) has formulated a National Development Plan (NDP) - 'vision 2030' as a strategic plan to guide development at a national level over the short to medium term. The plan is based on a detailed diagnosis of issues facing the country and strategic engagement with all key sectors. It identifies unemployment, poverty and inequality as some of the key challenges facing South Africa, and outlines a number of strategic interventions to address these issues. Among these are the following:

- Economic development and job creation.
- Improving infrastructure.
- Transitioning to a low carbon economy.
- Building an inclusive and integrated rural economy.
- Reversing the spatial effects of apartheid.
- Improving education, innovation and training.
- Quality health care for all.
- Social protection
- Reforming the public service
- Fighting corruption
- Transforming society and uniting the country
- Positioning South Africa to seize opportunities of globalisation.

The 5 national priorities include Job creation (Decent work and Economic growth); Education; Health; Rural development, food security and land reform; Fighting crime and corruption; Nation-Building and Good Governance. Richmond strives to attain these priorities within a local context. Female managers have been appointed to address

employment equity. The EPWP Programme is eradicating poverty and providing youth with employment in the municipality.

8.2 MILLENNIUM DEVELOPMENT GOALS

South Africa as a country is committed to the Millennium development agenda and the Millennium Declaration of 2000. There are eight MDG's and all are embraced in all spheres of government and are reflected in Key Priorities Areas.

- Eradication of extreme poverty and hunger.
- Promote primary education.
- Promote gender equality and empower women.
- Reduce child mortality
- Improve maternal health.
- Combat HIV/AIDS, malaria and other diseases.
- Ensure environmental sustainability.
- Develop a global partnership for development.

8.3 THE 14 NATIONAL OUTCOMES

Government introduced the outcome based approach and adopted 14 outcome areas. The objective is to improve service delivery across all spheres of government and to introduce a systematic planning, monitoring and evaluation process.

Table 6. the 14 outcomes and how they are applied in Richmond Municipality

Outcome	How the outcome is addressed or applied by Richmond Municipality
1. Improve the quality of education	Municipal employees are going under training and skills development (e.g MFMA training)
2. Improve health and life expectancy	Residents in the rural settlements have requested clinics during IDP community engagement and the municipality will liaise with the department of health, so that primary health care can be easily

	assesible to all Richmond municipality residents
3. All people in South Africa are protected and feel free	Community police Forums have been established in some areas
4. Decent employment through inclusive economic growth	The LED department offers support to small business and cooperatives,Expanded Public Works programme is implemented
5. A skilled and capable workforce to support inclusive growth	The Ndaleni Skills Development centre that opened in Febuary 2018 will provide increase in enrolment of fet colleges and provide training to the students.more skills will be developed through Funding to further studies
6. An efficient,competative and responsives economic infrusture network	The Municipality with assistance of Eskom will provide electrification and the UMDM will provide assistance with water and sanitation
7. Vibrant,equitable and sustainable rural communities and food sercurity	The municipality will improve acces to basic services to rural settlements and Department of Rural Development and Land Reform will redistribute land through land restitution claims
8. sustainable human settlements & improved quality of household life	Housing projects have been initiated such as Siyathuthukha Phase 2 , St Bernard housing Project(all projects are included in the IDP
9. A responsive, accountable, effective and efficient local government system	Cutting down on fruitless expenditure,improved financial reporting and budgeting
10. Protection and enhancement of environmental assets and natural resources	Streets are cleaned in town,there is provision of skip bins and waste removal in some areas once a week,illegal dumping is discouraged.
11. A better South Africa, a better and safer Africa and world	Agriculture produce from the municipality area is distributed to other places and this enhance trade and investement between South Africa and partners
12. A development orientated	The municipal department of community services has

public service and inclusive citizenship	initiated a number of programs that promote culture and diversity(e.g participation in SALGA games)
13. An inclusive and responsive social protection system	The municipal department of community services has initiated a number of programs that promote social development
14. Nation building and social cohesion	Disability sports games are initiated as part of the mayoral 100 day programme

Outcome nine specifically relates to local government and calls for ***“Responsive, accountable, effective and efficient local government system”***. Richmond Local Municipality has to respond to the outputs set out in Outcome 9 and deal with issues facing the municipal area and providing efficient and effective services to its communities. The municipality is committed to implement the respective outputs through focussing on improved service delivery, economic, environmental and social development.

The seven outputs of outcome 9, are indicated below:

- Output 1: Implement a differentiated approach to municipal financing, planning and support.
- Output 2: Improving access to basic services.
- Output 3: Implementation of the Community Work Programme.
- Output 4: Actions supportive of the human settlement outcome.
- Output 5: Deepen democracy through a refined Ward Committee Model.
- Output 6: Administrative and financial capability.
- Output 7: Single window of coordination.

8.4 MEDIUM TERM STRATEGIC FRAMEWORK

the 2014-2019 MTSF focuses on the following principles

- Radical economic transformation, rapid economic growth and job creation;
- Rural development, land and agrarian reform and food security;
- Ensuring access to adequate human settlements and quality basic services;

- Improving the quality of and expanding access to education and training;
- Ensuring quality health care and social security for all citizens;
- Fighting corruption and crime;
- Contributing to a better Africa and a better world;
- Social cohesion and nation building

8.5 BACK TO BASIC POLICY

This policy identified the following key performance areas that each local municipality should gear towards achieving:

- **Basic Services:** Creating decent living conditions, Ensure the provision of free Basic Services and the maintenance of Indigent register.(Indigent policy has been adopted by council, housing projects initiated by the municipality with the support of Department of Human Settlements make provision for low cost housing which is a basic service)
- **Good Governance:** Good governance is at the heart of the effective functioning of municipalities.
- **Public Participation:** Measures should be taken to ensure that municipalities engage with their communities. Municipalities must develop affordable and efficient communication systems to communicate regularly with communities and disseminate urgent information (IDP community engagement meetings held in November 2017 in all the 7 wards and the IDP/Budget meeting held in April/May 2018). Ward based plans were formulated for each ward during the meetings.
- **Financial Management:** Sound financial management is integral to the success of local government.IDP/budget meetings were held in all 7 wards in April/May to inform the community on the municipality budget 2018/19 and also requested them to provide input.
- **Institutional Capacity:** There has to be a focus on building strong municipal administrative systems and processes. It includes ensuring that administrative positions are filled with competent and committed people whose performance is closely monitored. Targeted and measurable training and capacity building should be provided for councillors and municipal officials so that they are able to deal with the challenges of local governance as well as ensuring that scarce skills are addressed

through bursary and training programmes.(The municipality does offer bursary to its employees).

8.6 THE PROVINCIAL GROWTH AND DEVELOPMENT STRATEGY(PGDS)/KZN GDS

The KwaZulu-Natal Province development vision is outlined in the recently introduced Provincial Growth and Development Strategy (PGDS 2011). The PGDS is a primary strategy for KwaZulu-Natal that drives growth and development in the Province to 2030. It provides the province with a strategic framework for accelerated and shared economic growth through catalytic and developmental interventions, within a coherent equitable spatial development architecture, putting people first, particularly the poor and vulnerable, and building sustainable communities, livelihoods and living environments (PGDS, 2011). Concomitant attention is also given to the provision of infrastructure and services, restoring the natural resources, public sector leadership, delivery and accountability, ensuring that these changes are responded to with resilience, innovation and adaptability. The seven strategic goals are outlined below:

- Human Resource Development
- Human and Community Development
- Strategic Infrastructure
- Response to climate change
- Government and Policy
- Spatial Equity
- Job creation

It is reported that the Province will respond to the above-mentioned challenges by exploring opportunities available through integrated Government investment, infrastructural development and targeted policy choices. Richmond Municipality as an implementing agent will strive to address or achieve these goals.

8.7 STATE OF THE NATION ADDRESS

On the 16 February 2018, The President of South Africa, Mr Cyril Ramaphosa delivered the State of The Nations Address at the joint sitting of Parliament in Cape Town. The address reported on promoting social justice, an investment of this scale in higher education is

expected to contribute to greater economic growth, reduce poverty, reduce inequality, enhance earnings and increase the competitiveness of our economy.

These priorities are those that form part of the 2013 National Plan (the 12 National priorities). The focus areas/ priorities included the following:

- Creating Decent Work;
- Infrastructure Development
- Education;
- Fight against crime;
- Health; and
- Youth development.

8.8 STATE OF THE PROVINCE ADDRESS

The Honourable Premier of the Kwa-Zulu Natal Province, Mr T.W Mchunu delivered the State of the Kwa-Zulu Natal Province Address on 28 February 2018. The Premier aligns this address with the strategic direction provided by the country's State of the Nation Address.

The KZN address highlights challenges of unemployment, poverty and inequality and further highlights priority areas that need urgent attention such as job creation and economic growth.

The future development trajectory was encapsulated in the following Provincial vision:

“By 2030 the Province of KwaZulu-Natal will be a prosperous Province with healthy, secure and skilled population, living in dignity and harmony acting as a gateway to Africa and the world”.

More focus areas that the province highlights are as follows:

- Growing a more inclusive economy by focus on short term be it agriculture, manufacturing and tourism as these sectors have been based on their potential to rapidly grow the economy
- Human resource development, Human and community Development, Development of strategic infrastructure, Ensuring environmental sustainability Providing good governance with clear and relevant policies
- Striving for spatial equity

CHAPTER 3: SITUATIONAL ANALYSIS

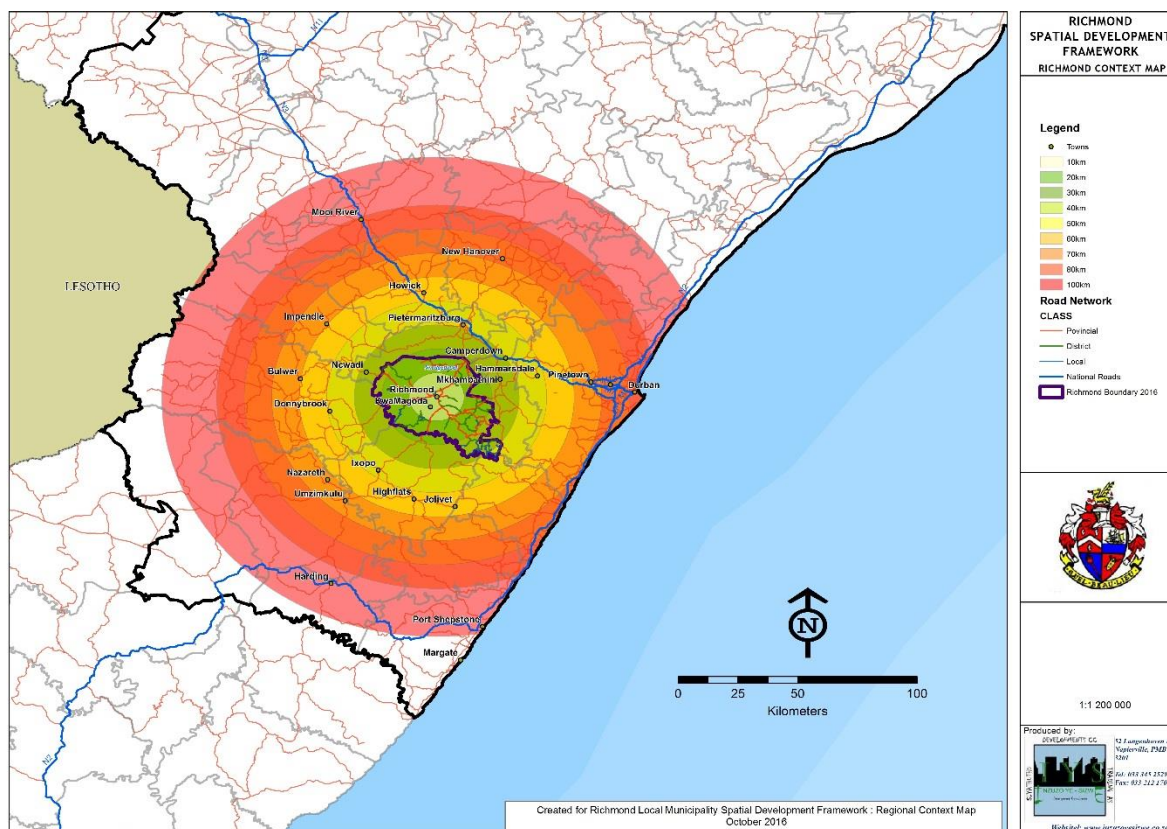
9 SPATIAL ANALYSIS

9.1 REGIONAL CONTEXT

Richmond is geographically located at the centre of KwaZulu Natal province and UMgungundlovu District Municipality. The map insert below indicates the following:

- It is located within 35km from Pietermaritzburg. This is the main urban centre of UMgungundlovu District and Capital City of KwaZulu-Natal Province.
- It is located within 45km to Ixopo towns which is one of the main service centres of Sisonke District.
- It is 40km away from Eston in UMkhambathini Municipality.
- Camperdown is located within 65km from Richmond.
- Umzimkhulu town is 78km away from the town of Richmond.
- Highflats is located 67km away from Richmond while it is 72km away from Bulwer.

Map 3. Regional Context



This location is advantageous to the trading opportunities for the area especially if the area capitalizes on being an agricultural hub within the regional context. The Municipality's boundary borders along, Dr Nkosazana Dlamini Zuma, Mkhambathini Municipality and its southern boundary along the Ubuhlebezwe and Vulamehlo Local Municipalities. The majority of the population resides in the predominantly rural areas. The main economic activity is located in the Richmond Village. This has led to the development of the informal settlement of Bhongoza. It is assumed that persons have taken up residence due to the close proximity to the economic hub. Commercial agricultural practises dominate the land use.

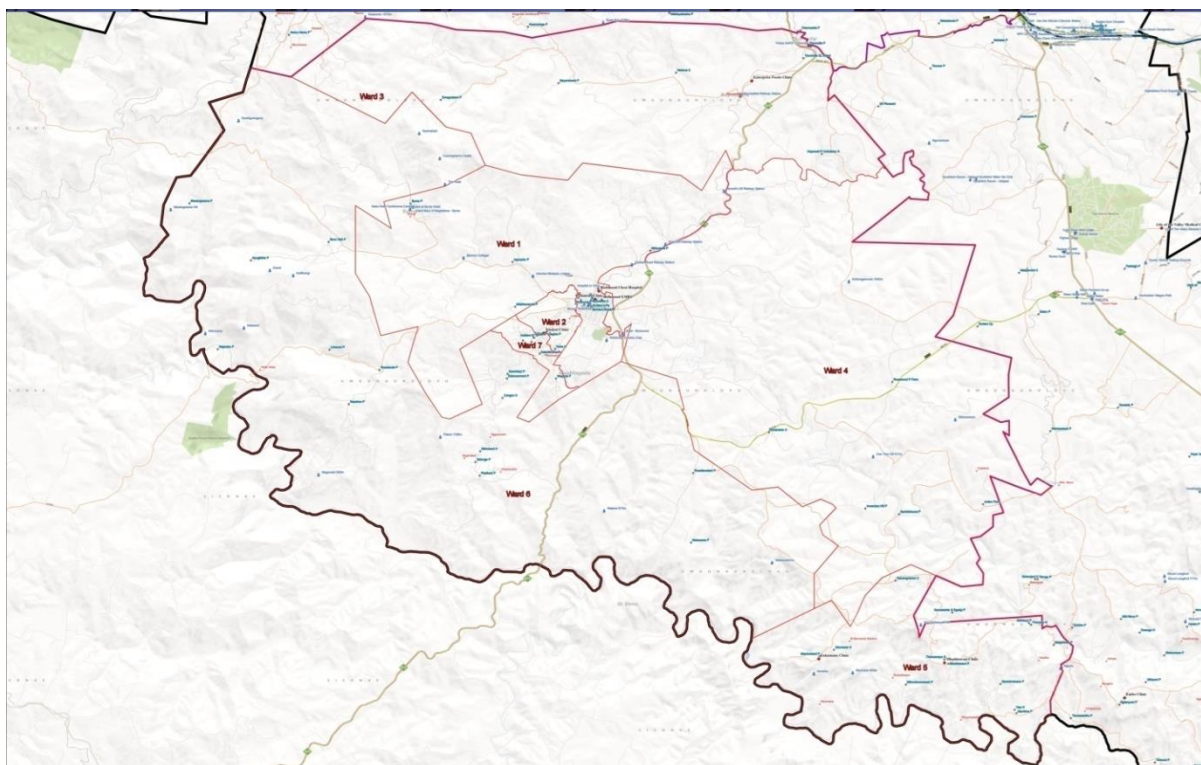
Dense settlements exist around the Richmond Village, Greater Ndaleni and Hopewell. Settlements in other parts of the municipal area are sparsely scattered. The main road linkages in the Municipality is the R56 forming a north south corridor and links Pietermaritzburg, Richmond and Ixopo. The R624 links Richmond to the south coast and the R603 to the N3 corridor. In terms of Public Transport there are eleven routes which transport passengers within and outside of Richmond. Richmond's location in terms of major transport routes and corridor development serves as a link between eThekweni and Gauteng and its location therefore creates numerous benefits and should work towards strengthening the economy of the area.

With the development of Land Use Management System and the Spatial Development Framework, it is envisaged that a clearly defined approach to development will now be enforced with land use zones identified and clearly targeted in terms of development.

The most significant areas of relative need are the traditional areas, which are characterized by few employment opportunities, inadequate services and poor agricultural potential. There are some exceptions, as well as wide disparities between the service levels and degree of accessibility of different rural settlements in these areas.

9.2 ADMINISTRATIVE ENTITIES

Map 4. Administrative Entities



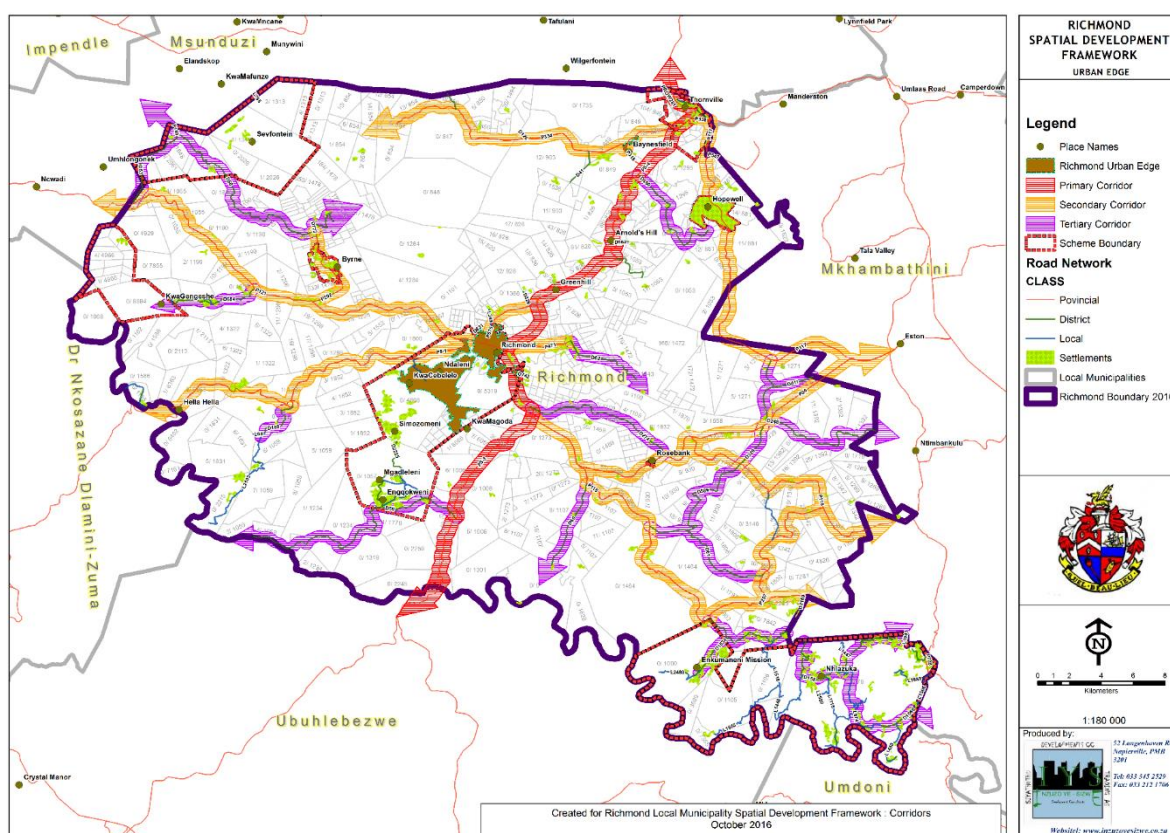
Richmond Municipality (KZ227) is one of the category B municipalities and comprises of seven (7) wards. It is located on the southern part of the uMgungundlovu District Municipality (DC22) and is approximately 38 kilometres south of Pietermaritzburg which is the capital of the KwaZulu-Natal Province. It is bordered by Umsunduzi Municipality to the north, Dr Nkosazana Dlamini Zuma Municipality to the west, Mkhambathini Municipality to the east and Ubuhlebezwe and Vulamehlo Municipalities to the south. It is approximately 1232 square kilometres in extent with an estimated population of 71 322 and 17 570 households; it is the fourth smallest Municipality within the uMgungundlovu District Municipality family of Municipalities.

9.3 STRUCTURING ELEMENTS

R56 and R624 are the Provincial Routes which are the visible structuring elements of Richmond. R56 transverses the middle of municipal area in north-south direction. It links Richmond Municipal Area with Pietermaritzburg towards the north and other smaller towns towards the south. P121 is a very important adventure route from Richmond to Drakensberg via Bulwer. There are four routes that play a dual role which is agriculture and tourism, these are P115, P24 (R624), P117 and P116. There are five mobility routes which

are at the level of the secondary corridors and these are P8-1, P334, P257, P471 and P202. Internal link and circulation roads provide linkages between settlements and access to public facilities and services. These are D360, D1036, D1035, D1034, D61, D586, D329, D411, D248, D62, D274, D60, D59, D188, D684, D58, D63, D773, L50 and L674.

Mkomazi River which is located on the south-western boundary of the municipality. This is one of the major rivers within the province and the Municipal Demarcation Board used it to demarcate the southern boundary of Richmond Municipality.



Map 5. Structuring Elements

9.4 EXISTING NODES AND CORRIDORS

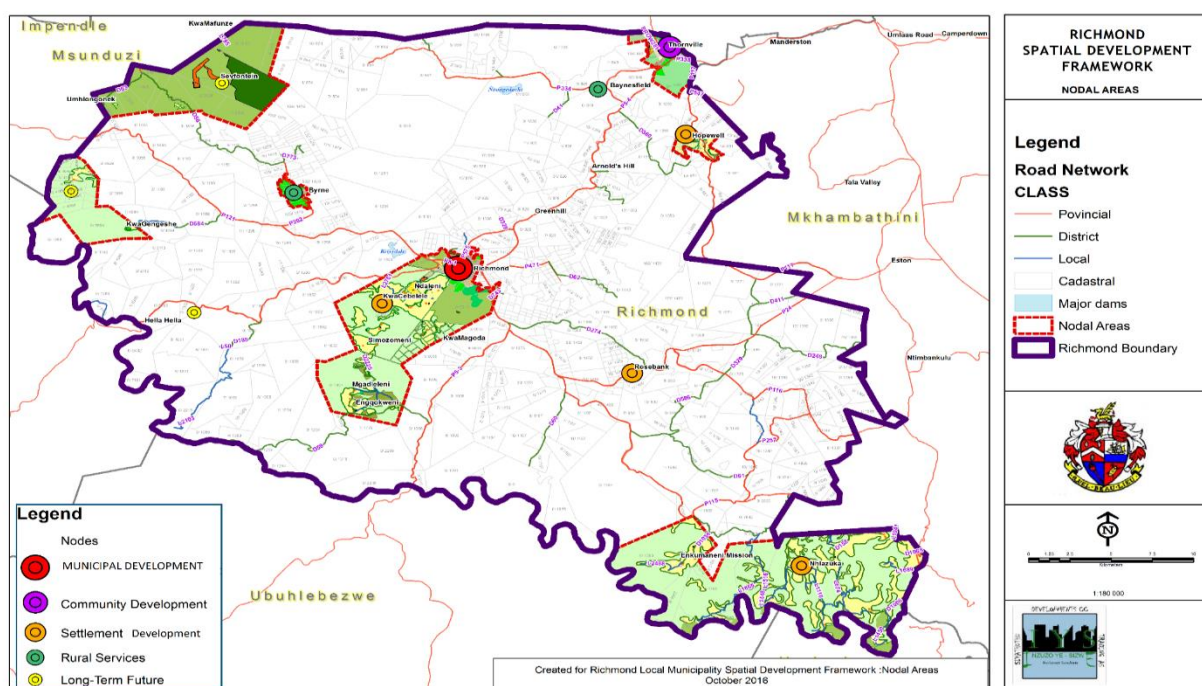
Nodal areas are defined in the latest SDF guidelines of July 2010 as areas where there is high intensity of land uses and where activities will be supported and promoted. The development of nodal points helps to improve efficiency since it provides easy access and creates thresholds for a variety of uses and public transport services. Richmond like any given municipality accommodates a hierarchy of nodes which shows the relative intensity of

development anticipated for the various nodes, and the dominant nature and activity of the nodes.

- **Municipal Development Node** – Richmond Town is the main urban centre for the municipality. It is the most strategically located commercial and administrative centre which is centrally positioned to service the entire municipality.
- **Community Development Node** – Thornville has been identified as a Community Development Nodes. This is essential a small town that provide an area-wide exchange point household, common consumer products and farm inputs
- **Settlement Development Node** – Hopewell, Greater Ndaleneni and Nhlazuka are the notable peri-urban and densely populated rural settlement within Richmond Municipality. The Settlement Development Nodes would locate a settlement or cluster of settlements. The services that these provide are limited to the surrounding settlements and include low order public, shopping and small business enterprise facilities. These serves as a link between the local communities and the major towns as such they should locate in accessible areas along or at the intersection of public transport routes.
- **Rural Service Centre** – These were identified in Baynesfield and Bryne. These areas have potential for the location of multi-purpose community centres (to include clinics, AIDS support services, library, adult education and skills training and computer facilities). Major capital investment is not required and by making use of alternative approaches, including mobile structures (containers or prefab construction) and providing only essential infrastructure, combined with periodic service delivery and markets, the potential of centres to fulfil a rural service function can be tested efficiently and at relatively low cost.
- **Long-term future nodes** – These nodes are proposed within Hella Hella, Sevfontein and Mazangazama. These areas currently exist with limited activities. The long-term future node is still more of a proposal than an

activity investment point. This node need to be re-evaluated over time once the impetus of the Proposed Secondary Activity trade route takes off, as well as the numerous east/ west links have been achieved. The restructuring of the Municipality, overtime, might indicate the development of other areas which have not been identified through this process.

- **Opportunity Points** – A gateway model is proposed for the development of highest accessible entry points within Richmond Municipality. These are prioritized along the access points from R56 to main urban centres where strategic land parcels can be unlocked for investments. These interchanges are found in Richmond and Thornville. The provision of employment opportunities is to be encouraged at these points as well as commercial development which may take place at a higher density than in other areas. Servicing is, however, to be thoroughly investigated and agreed to before any development is permitted.



Map 6. Development Nodes and Corridors

These words distinguish between the higher order and lower order cores or centres within the area of influence of the service centre. The Nodes have different buffers which are

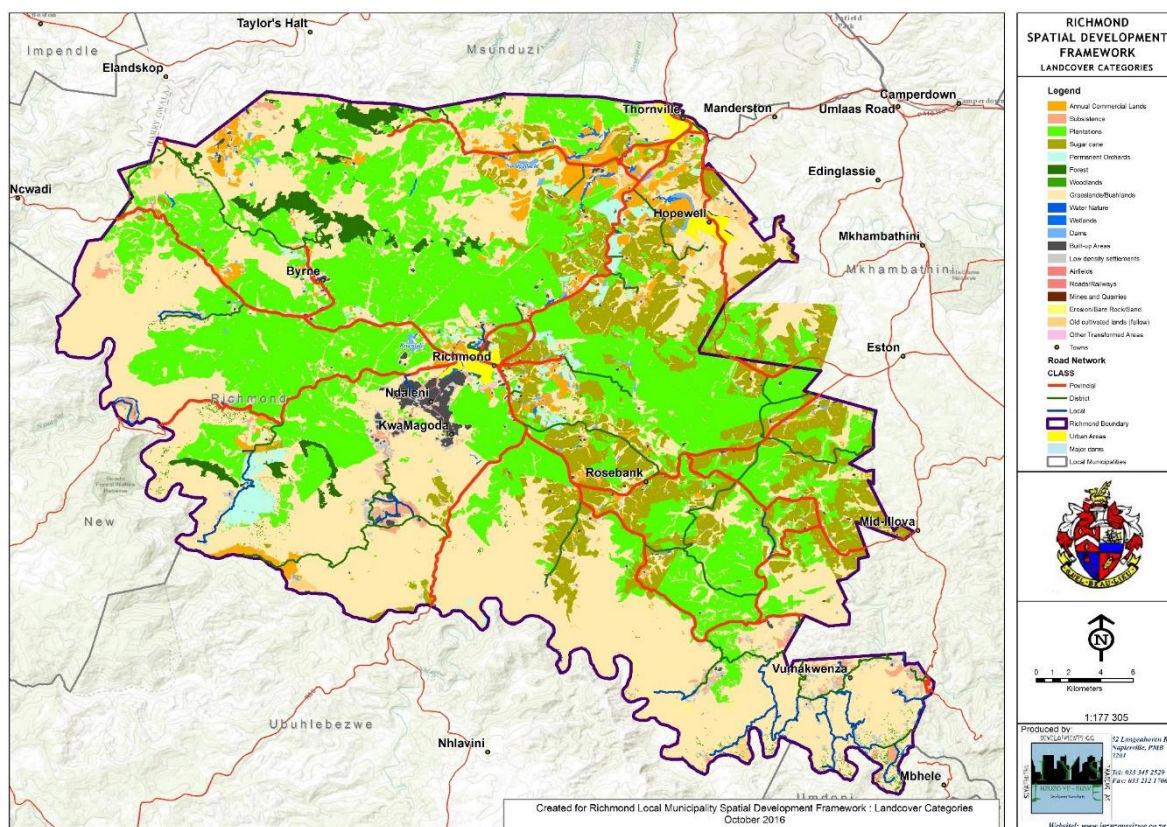
determined by the type of node. This buffer is an indication of the threshold served by each node.

R56 is the primary corridors within the Municipality. It provides high linkages with surrounding municipalities and economic nodes. Along the R56 Route from Pietermaritzburg down to Kokstad there are many different types of agricultural activities / businesses taking place with a variety of vegetation and fruit activities, this route links Richmond Municipality with the Pietermaritzburg and Kokstad. This corridor centres on tourism and industry and links the primary nodes. This primary corridor facilitates stronger cross border economic flows and economic development. R56 corridor in the Mkhomazi Valley has natural attractions includes landscape and can attract both domestic and international tourist thereby promoting LED projects at some locations.

P624 to Eston and D59 to Greater Indaleni both from R56, P315/P334 providing access to Baynesfield from R56, P121 to Bulwer via Ncwadi provide vital linkages to service nodal points and communities within the municipality and ensure connectivity with service delivery in the communities.

P115 to D158 and D2106 provide access to the tertiary node of Inhlazuka. This corridor also links Richmond rural community to Mkhambathini rural community. The scenery in this route blends itself to unlimited nature and culture based tourism. Likewise P8-1 route to HellaHella passing Roselands Farms to Creighton same the some purpose as listed above.

9.5 LAND COVER AND BROAD LAND USES



Map 7. Broad Land Uses

Richmond Municipality is predominantly rural in nature and it is in these areas where the majority of the population resides. The only area which can be regarded as urban is the Richmond Town. It is the main growth centre within the municipality and acts as the central business district in that it offers a range of services to a large portion of the population. Commercial agriculture dominates the land use due to the medium to high agricultural potential of a large part of the municipal area. Forestry plantations occur throughout the area and sugarcane is grown in the eastern half of the municipal area. Smaller areas of land which are irrigated for commercial purposes are dispersed throughout the area.

Richmond Municipality has a total land area of 125575.33 hectares accounting for 13% of the district's total land area. 55% of the land is classified as transformed and 45% as untransformed. Urban areas account for 1% (1780.9 hectares) of the land area.

48% (60600.93 hectares) of the land in the Richmond Municipality is used for commercial agriculture. Of this timber plantations and sugarcane production account for most of the land cover, 32% and 11% respectively. Timber plantations exist throughout most of the municipality in both the Moist Midlands Mistbelt and the Coast Hinterland Thornveld BRGs

with sugarcane production occurring almost exclusively at lower altitudes in the warmer Coastal Hinterland Thornveld BRG. Both irrigated and dryland agriculture take place throughout the municipality involving the production of maize, veggies, timber, sugar, citrus and pastures or dairy.

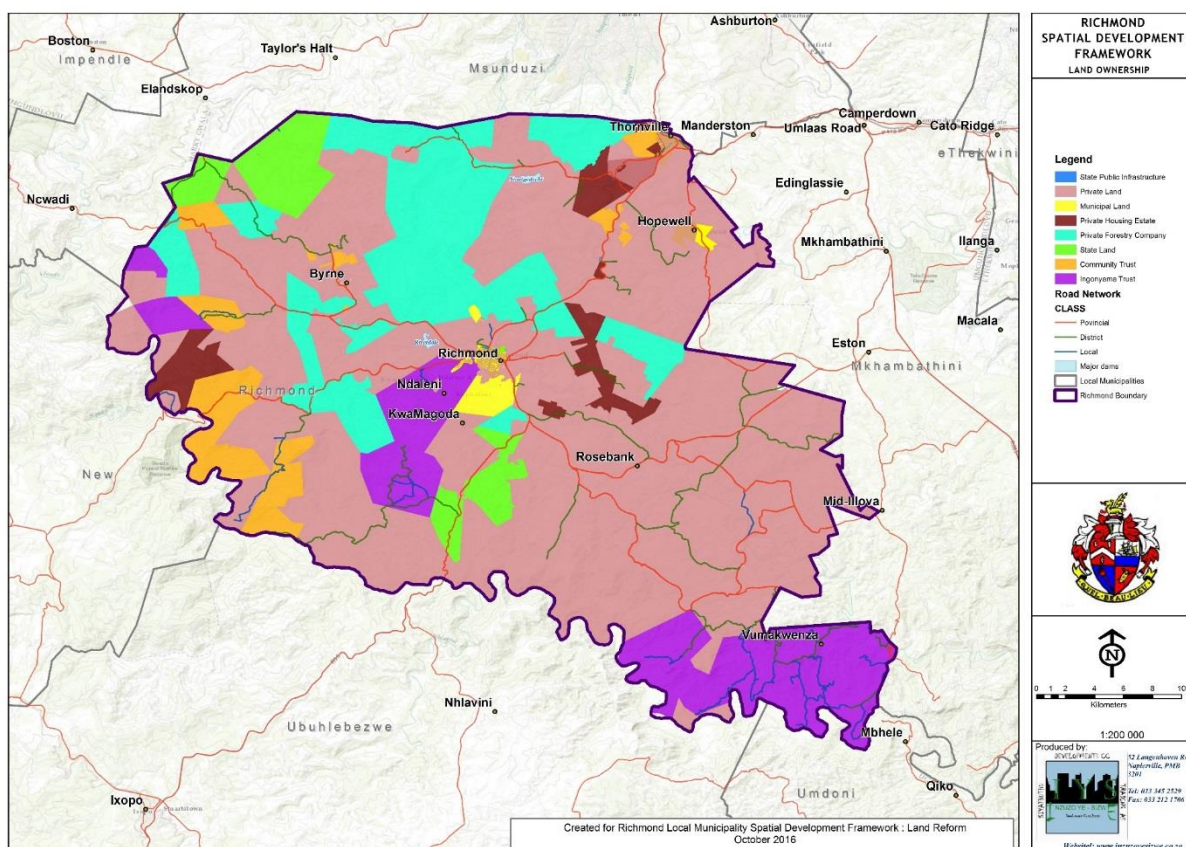
Natural vegetation covers 25% (31645.31 hectares) of the municipality. Dense bush and bushland together account for majority of the natural vegetation. Much of this is Valley Bushveld with little potential for agricultural production due to steep slopes. Untransformed grassland accounts for 15% of land cover. As is the case elsewhere in the district it is presumed that areas of untransformed grassland are likely to be used to graze cattle for commercial or traditional purposes. Table 43 shows the number of hectares and percentage of land covered by the dominant land cover types for 2005 and 2008. Additionally the table shows the percentage change in land cover types between 2005 and 2008.

9.6 LAND OWNERSHIP

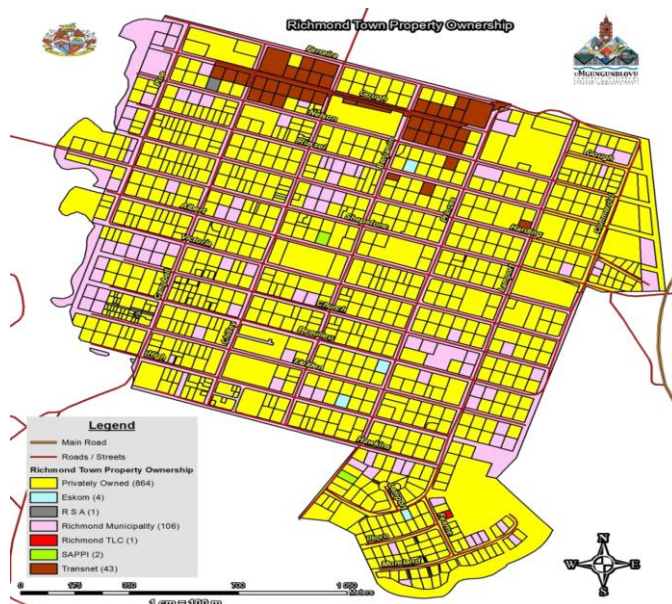
There are three Traditional Authorities in the Richmond Local Municipality viz. Vumindaba Traditional Authority, Vumakwenza Traditional Authority and Esiphahleni Traditional Authority. The traditional authorities are located in the central and south-eastern portion of the municipality. Residential areas of note exist around the Richmond Town Ndaleneni and Hopewell and there are sparse, scattered residential settlements in other parts of the municipal area.

The following map indicates the land ownership in Richmond Municipality and Town.

Map 8. Ownership

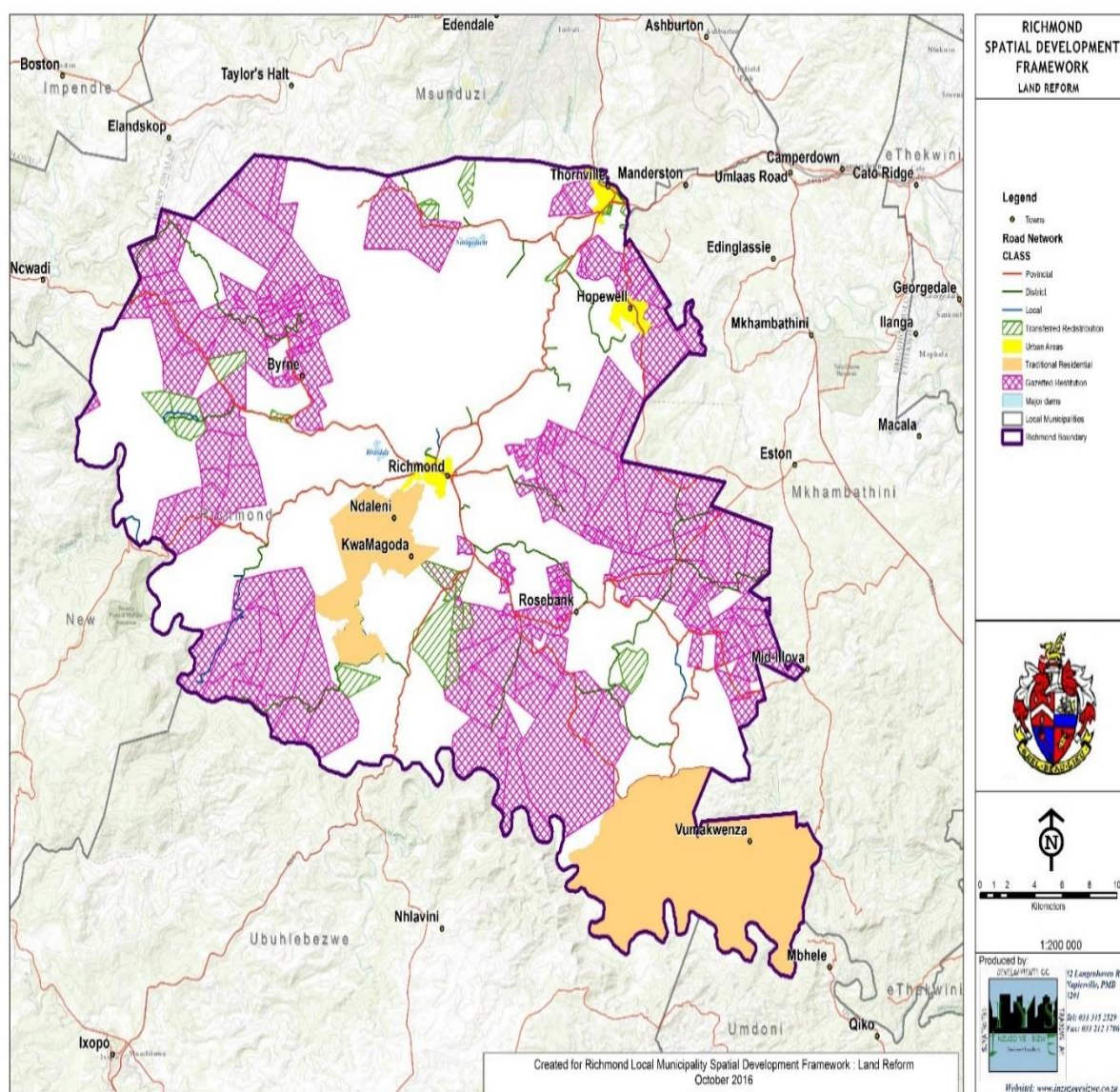


Ownership of land in the municipality occurs in three forms viz. private, state-owned and traditional authority. Most of the privately owned land is utilized for agricultural purposes and the traditional authority land is used for settlement. The remaining area consists of grasslands and on the south-western boundary the land cover consists of thicket and bushland.



9.7 LAND REFORM

Below is a spatial illustration of land reform projects within Richmond. These are managed through the development of area based plans. They aim to integrate and align land reform projects with the strategic priorities/plans of the municipality. This is done so to ensure sustainability of land reform projects and other sector development programmes such as human settlements developments etc. The SDF should address the land reform issue and should ensure that alignment with ABP is achieved. Further and most importantly areas based plans should reflect the spatial strategies outlined within the SDF and represent planning in an integrated manner.



Map 9. Spatial location of Land Reform Projects

In terms of land redistribution the table below depicts the projects initiated:

Table 7. Land Reform Projects

Project Name	Property Description	Size Ha	No of H/H	Program Type	Product Type
Beaulieu Estates/ Honeywood Farm	Ptn 376 (of 270) of Beaulieu Estates	6.7498	0	Redistribution	Crop & Livestock
KwaGengeshe	Ptn 1 of Rem of Farm Kangashes	602.6709	90	Redistribution	Settlement
Harcourt/ Mzinolovu	Ptn 25 (of 18) of Weltevreden	66.9825	35	ESTA	Settlement & Grazing
Naawupoort	Ptn 1 of Naauporort North	256.7950	23	ESTA	Settlement
Mawela/Buckan	Rem of Ptn 3 of Farm Bucken	21.9379	1	Redistribution	Pip production & vegetables
Synergold Investments	Rem of Farm Buckan	20.2667	4	Redistribution	AGRI
TshalaSovuna Farming Enterprise	Ptn 2 and 3 of Mybole	116.2628	3	Redistribution	Maize & Horticulture

In terms of land restitution a total of 66 claims were originally lodged with DRDLR. This was subsequently consolidated into 42 claims and 3 of the claims were non-compliant. To date 4 claims have been gazetted and 1 claim has been settled and finalized. The claim settled

relates to the Emashosheni community. A total of 2073ha was restored to 76 households for farming purposes.

9.8 LAND CAPABILITY

The Richmond Municipality is well endowed with high agricultural potential land, which should be preserved and protected from the encroachment of settlement development. The local economy is largely dependant on agricultural activities with commercial agriculture and forestry dominating the land use. However, access to land as a resource should be broadened to include the previously disadvantaged using appropriate government programmes. Agricultural land provides an opportunity for local economic development and job creation in Richmond. Its value should be enhanced and local communities assisted to make optimal use of this land.

Map 10. Agricultural potential

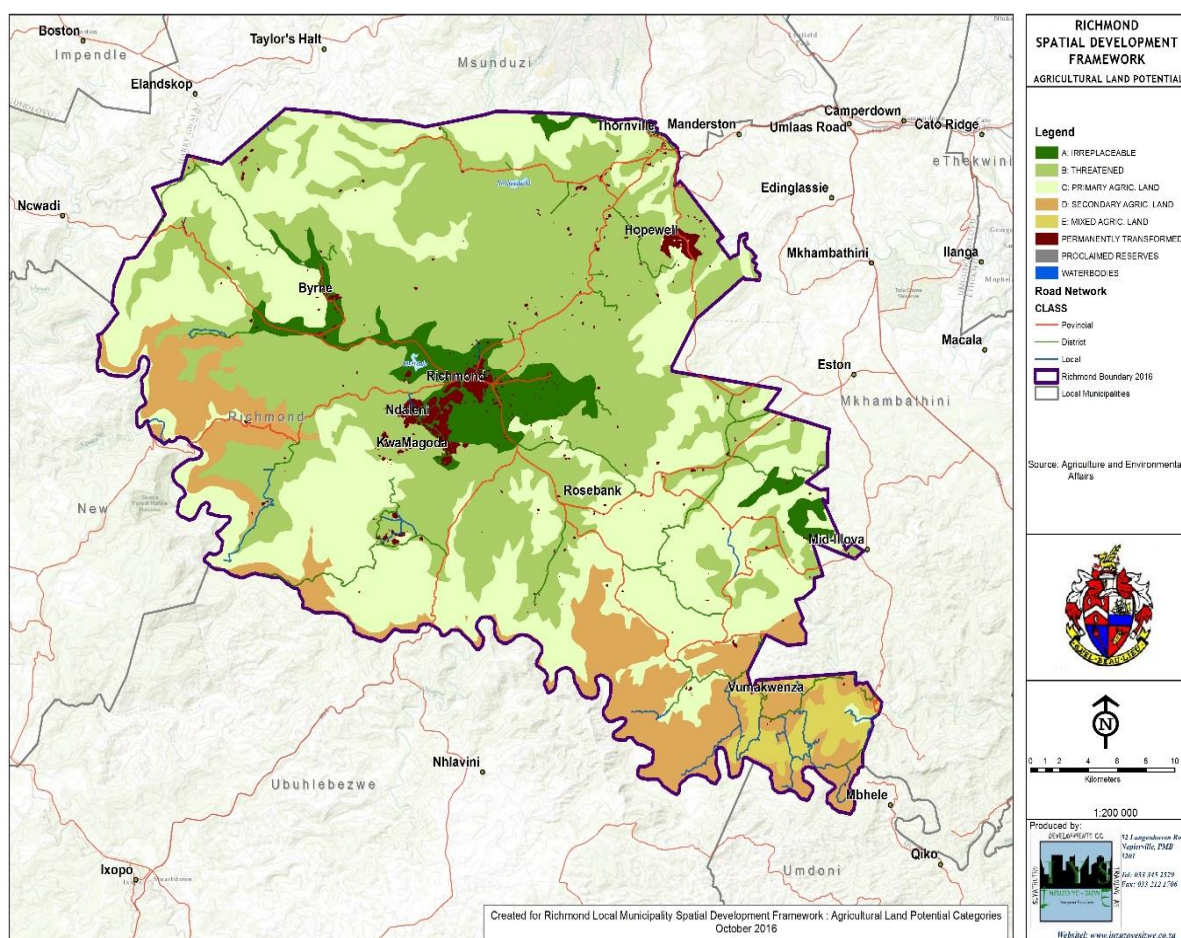


Table 5 indicates that 93% of the land in the Richmond municipality is included in the 14

Area Under Agriculture		
Land Use	Hectares	%
Forestry	40096	32
Grasslands	24495	20
Cultivation	21505	17
Total Area Under Agriculture	86096	69
Remaining Areas	39475	31
Total Area of Municipality	125575	100
% Under Grasslands		20
% Under Arable		49
% Eroded		0
% Remaining Areas		31

selected BRUs. It may be used to further demonstrate that arable land in Richmond includes 43% of the area with a further 51% being non-arable. It should be further noted that within the area suited to arable, 11% is what is termed high value land meeting all conditions for optimum production. The nonarable is indicated in Table 70 as not being suitable for cultivation owing to rockiness and inclusion of wetland and drainage

areas. The crops and associated yields (under defined management conditions) associated with these BRUs are contained in the BRU reports located in the BRU programme. The area of the Municipality not dealt with in the BRUs amounts to 7% of the Municipality. As noted this includes BRUs with less than a 2% cover in the Municipality and hence they have not been included in this assessment.

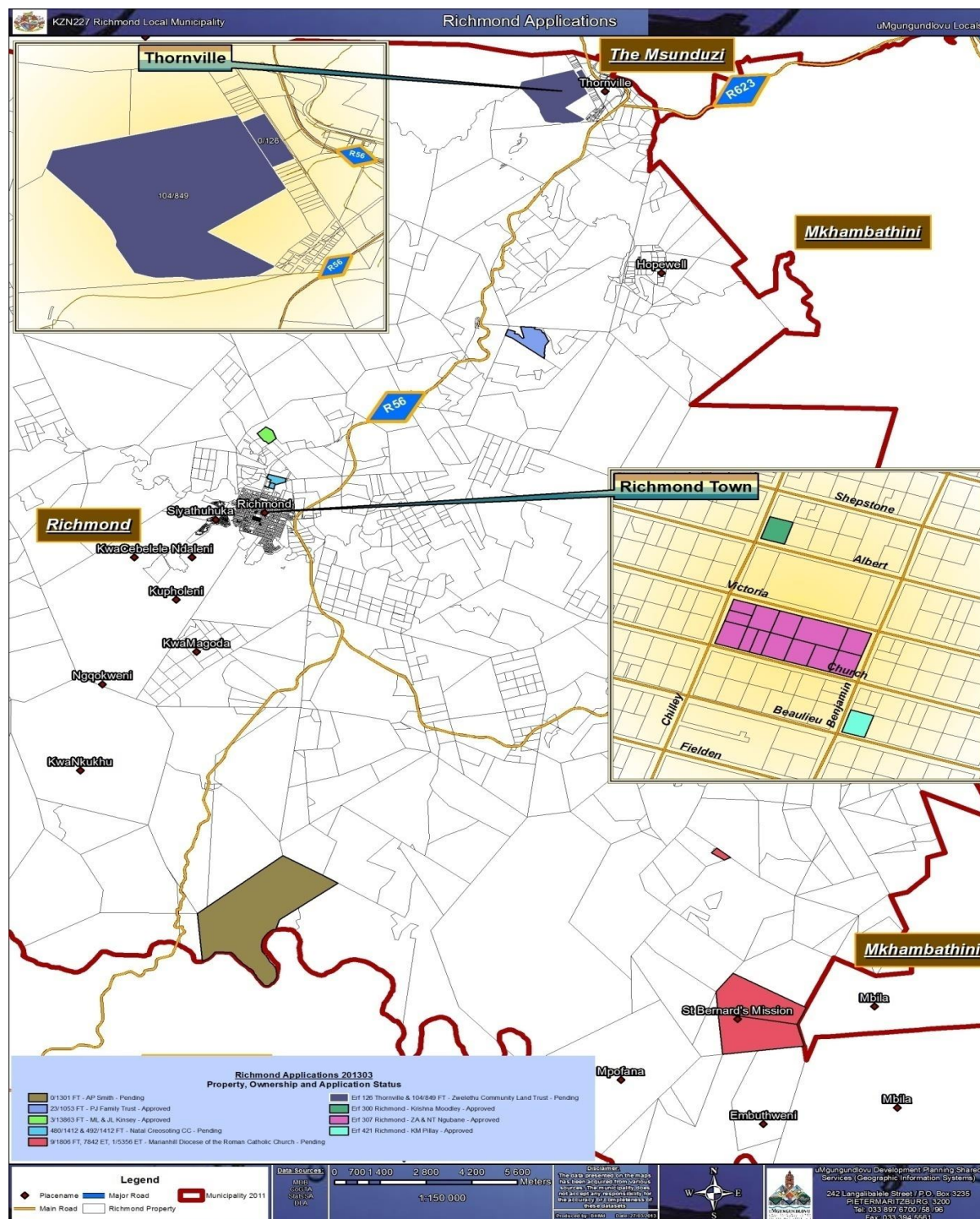
An assessment of the actual land use versus the agricultural potential data would seem to indicate the following:

- The outcome of this assessment is illustrated in Figure 80 where 93% of the total area of the municipality is incorporated into BRUs which are in excess of 2% of the land area of the municipality. Map 18 further indicates that 43% of the land under BRUs in the municipality is arable with 51% of it being non-arable.
- Where the land cover data for Msunduzi is compared, on a proportional basis, with the bioresource unit data in Map 11, then it would seem that the available arable is fully and possibly over-utilised for agricultural production (commercial and subsistence) in the municipality (see Land Use report for maps).
- Regarding grasslands, comparative data (to land cover) is not readily available in the BRUs in that areas suitable for arable are also often well suited to grasses. Consequently it is noted that most if not all of the non-arable and

certain of the arable (under BRUs) comprises the grasslands(under Land Cover) being used for grazing (Grasslands in Map 11).

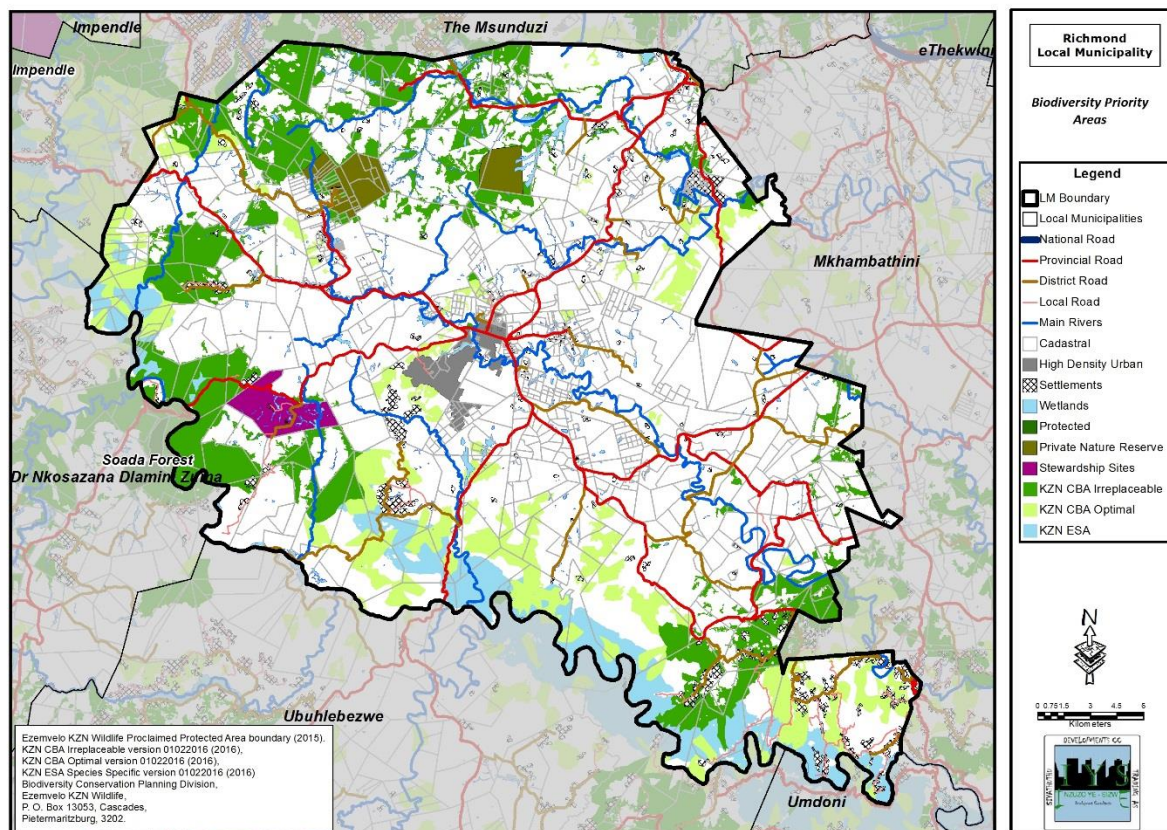
9.8.1 Private Sector Developments

Map 11. Private Sector Development



9.9 ENVIRONMENTAL ANALYSIS

9.9.1 Biodiversity



Map 12. Biodiversity

Extensive monoculture substantially reduces bio-diversity i.e. the diversity of animals and plant lives which naturally occur in environmentally sensitive areas are severely impacted on with the destruction of natural habitats. In the case of timber the planting of exotics further worsens the impact in this form of agriculture. The UMDM District developed a Biodiversity Sector Plan. The primary purpose of characterising the uMgungundlovu District's biodiversity profile is to determine important areas for the conservation of biodiversity in order to guide sustainable development within the district. The uMgungundlovu BSP feeds the development of a Bioregional Plan covering the District, which forms a legislated requirement of the National Environmental Management: Biodiversity Act (Act 10 of 2004). The Bioregional Plan must feed into all land use planning and management decisions and tools within the district and its local municipal areas (DEAT, 2009). This process incorporated biodiversity planning criteria and mapping principles from other examples where biodiversity sector plans have already been developed.

Key biodiversity assets in Richmond LM include large natural areas, terrestrial ESA (Ecological support Areas and terrestrial CBA (Critical Biodiversity Areas)(See map 14).

Large natural areas, which covers the majority of the municipal area, are more likely to remain intact with lower influences of “edge-effects” from adjacent land uses. Intact areas will support ecosystem processes and functionality, which in turn improves biodiversity conservation. Conversely, land use transformation and impacts from anthropogenic influences increase the probability of “edge effects” on important biodiversity areas.

9.9.2 Hydrology

In terms of hydrology three catchments are located or partially located in the municipal area. These include the Mkomazi Catchment which is located on the south-western boundary, the Lovu Catchment which passes by the Richmond Village in a west to east direction and the Mlazi Catchment which is located in the northern portion of the municipality.

9.9.3 Air Quality

The Richmond Local Municipality is largely rural and under agriculture, and the only regulated industry is a timber processing plant (DEA, 2010). Approximately 76% of households use relatively clean energy (electricity, gas, paraffin) for cooking and 56% use these fuels for heating. A relatively large number of homes are however still reliant on wood as their primary energy source. Agricultural burning associated with forestry and sugar cane is also a source of air pollutants in the local municipality.

9.9.4 Climate Change

Global climate change is possibly the greatest environmental challenge facing the world in this century. Although often referred to as ‘global warming’, global climate change is more about serious disruptions of the entire world’s weather and climate patterns. This includes the impacts on rainfall, extreme weather events and sea level rise, rather than just moderate temperature increases. According to the international studies undertaken by NFCC the impacts of a global average temperature rise of between 2.5°C and 3°C from the 1990 levels are countless, and in South Africa it is estimated that agriculture, tourism and conservation will be the areas which will feel the effects the most. Richmond is mainly an agricultural area and the impact of climate change affects the production of seasonal crops

i.e. cabbages are the winter crops which may be affected by heat waves that may take place during winter due to climate change.

The climate change impact mitigation strategies proposed within the Green Paper (Government Gazette Notice no 1083 of 2010), and which have relevance to activities at a municipal level, include the following:

9.9.4.1 Biodiversity: mitigation of climate change impacts

Encourage and facilitate the building of partnerships to enable effective management of areas not under formal protection and investment in the expansion of key protected areas (which were not originally designed with climate change trends in mind) in line with the most robust knowledge of climate change impacts.

Expand existing programmes to combat the spread of alien and invasive species and the destruction of sensitive ecosystems including Working for Water, Working for Wetlands and Working on Fire. Promote efforts to conserve, rehabilitate and/or restore natural systems that reduce and/or improve resilience to climate change impacts, e.g. wetlands and their positive impact on storm surges.

9.9.4.2 Water resources: mitigation of climate change impacts

- Continue to develop and maintain good water management systems and institutions, from village through to national level, to ensure we achieve our equity objectives, and can sustain affordable provision of water to all.
- Accelerate the development and/or capacity of effective and accountable catchment management agencies that will: promote equitable and sustainable use of available water resources at local and regional level; strengthen water resources regulation at local and regional level; monitor developments and emerging stresses, and propose effective ways of addressing them. As groundwater grows in strategic importance as a result of increased surface water evaporation, they will have to manage the recharge of aquifers as an integral part of local water management where this is feasible.
- Invest in monitoring capabilities across a range of disciplines in order to spot trends and understand them as well as track the efficacy of adaptive

strategies.

- Optimise the re-use of wastewater.
- Increase investments wastewater treatment capacity to meet stipulated norms and standards for waste discharge - to safeguard public health, river health and ecological services and to minimize environmental disasters and treatment costs.
- Increase investments in maintenance and renewals to minimize system losses in infrastructure networks, Maintenance deferred is infinitely more expensive, and the country needs the most efficient networks possible to optimize currently available resources.
- Develop and implement household rainwater harvesting incentive programmes.
- Implement integrated water resource management including protecting and restoring natural systems, increasing conjunctive use of surface and ground water, and learning through adaptive management experiments. Given South Africa's' inter-basin and trans-boundary transfer schemes integrated water resource management provides an important governing framework for anticipating and achieving successful adaptation measures across socioeconomic, environmental, and administrative systems.
- Vigorously enforce compliance with water quality standards to ensure that our water remains fit for use, and that clean water is available for blending to dilute pollutants. Contamination by salts, excessive nutrients, heavy metals and other pollutants must be restricted.
- Encourage and develop water-sensitive urban design as a means of capturing water within the urban landscape and minimising pollution, erosion and disturbance by ensuring that storm water is treated as a valuable water resource and not simply discharged to rivers or the sea.

9.9.5 Strategic Environmental Assessment

The municipality currently lacks funds to develop an SEA, however this will be included when the SDF Review takes place.

9.10 SPATIAL AND ENVIRONMENTAL TRENDS & ANALYSIS

- ⇒ The town centre benefits and can further benefit from an urban regeneration programme which can introduce urban greening, proper street lights and street furniture.
- ⇒ Furthermore any intervention geared towards spatial reorganisation will benefit the CBD immensely.
- ⇒ There is a need to redefine land use management in the CBD and the resultant review of zoning measures.
- ⇒ Review of certain existing uses currently located within the CBD but not appropriate in their locations.
- ⇒ Define an Urban Growth Boundary taking advantage of R56 opportunities;
- ⇒ There is need to consider appropriate shelter for informal traders at strategic points
- ⇒ Such shelter should be within easy access to public ablutions.
- ⇒ There is a need to consider upgrade of existing infrastructure
- ⇒ Projects that can be linked to corridor promotion are also suggested.
- ⇒ Need for proper road and place signage
- ⇒ Need to promote adventure tourism
- ⇒ Need to upgrade services and infrastructure
- ⇒ Formalisation of the residential development and;
- ⇒ Introduction of land use management relevant to the node
- ⇒ It is suggested that service roads be introduced to properly access the node which is currently established in linear pattern along the main road.
- ⇒ Integrating services within the nodes.

The have implications for the development of Richmond. Therefore it is important that as strategic guidance be provided in this regard. The SDF should respond the above mentioned issues and in doing so should:-

- Align with the strategic sector plans of the municipality and of the district
- Align with SDF's of the various neighbouring municipalities

Give effect to the spatial development strategies and programs as outlined in the district's SDF, including creating a framework for the implementation and co-ordination of the activities of various sector departments.

The municipality currently lacks funds to develop the Strategic Environmental Assessment. However the following strategic environmental issues have been identified within Richmond Municipality:

- The conflict between conservation and the survival needs of rural and urban communities needs to be considered. Communities are dependent on natural resources for survival which often places them in conflict with conservation authorities.
- Overgrazing due to farming techniques and lack of available land for grazing purposes.
- Encroachment of commercial farming activities on drainage areas and waterways impacts negatively on the rural water management system of the area.
- Lack of funding for environmental management programmes and projects.
- The burial of people on land not specifically allocated for this purpose and the impact that it may have on groundwater in terms of the pollution and resultant communicable disease.
- The impact of high incidence of HIV/AIDS within the District contributes towards an increased need for cemetery space and suitable land for the establishment of cemeteries is scarce.

9.11 SPATIAL AND ENVIRONMENTAL: SWOT ANALYSIS

Table 8. Spatial and Environmental: SWOT Analysis

STRENGTH	WEAKNESS
<ul style="list-style-type: none"> Richmond is strategically located in terms of its position between provincial nodes (Pietermaritzburg and Ixopo) as well as the Provincial Road (R56). The town of Richmond is growing into a strong service centre for the municipality and it is appropriately positioned at the central part of Municipality. Good climatic condition. 	<ul style="list-style-type: none"> Richmond is a very small rural dominantly municipality with limited private development taking place within it. The legacy of the past apartheid policies is still visible in the sense of communities that were marginalised from economic opportunities are still largely suffering. Most of the land is privately owned which may limits the pace at which the state can deliver the public facilities since the land acquisition processes may sometimes be time consuming. most part of the Municipality there is steep terrain which limits development.
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> Richmond is located closer to PMB as well N3, busiest corridor within the province which open a lot of trading and storage opportunities. Potential exists to develop and intensify the role of Thornville as secondary nodes. Richmond is endowed with relatively good agricultural land and 	<ul style="list-style-type: none"> Most farms acquired through land claim is underlised. Mounting burden to protect the rivers and wetlands with limited resources available at the municipality.

opportunities exist to develop this sector even further.

- The land claims (restitution) have progressed very well and this provides opportunities for agrarian reform.

9.12 DISASTER MANAGEMENT

The Richmond municipality has prepared a Disaster Management Plan for its area of jurisdiction and the review has been completed. In terms of the Disaster Management Amended Act, 2015 (Act no 16 of 2015, Local Municipalities are subjected to perform the function of Disaster Management. It is in light of the Amendment Act that the Richmond Municipality prepared its own Disaster Management Plan to be aligned with the UMDM Plan. In view of the Richmond municipality's physical characteristics in combination with the social characteristics of the area; there are a number of disasters that are likely to occur.

9.12.1 Municipal Institutional Capacity

There is a disaster management forum in-place. The purpose of this forum would be to consult and coordinate actions pertaining to matters relating to disaster risk management in the Richmond Municipality. The uMDM play a large role in the Forum in terms of its responsibility within the District. The following components, relative to disaster management, need to be addressed:

- Contingency planning
- HAZCHEM identification, identification of associated risks, the prioritisation and management thereof
- Communication and cooperation channels to be established as reaction measures to disasters
- Further details on the review Disaster Management Strategy can be sourced as an Annexure of this document.

Richmond Municipality has established the Rapid Response Team in cases of disasters. The Rapid Response Team is supported by a District Disaster Management Practitioner (Mr Mtshali).

9.12.2 Risk Assessment

Identification of community at risk

Cholera

It can be said that all Wards are vulnerable to cholera. This is because of the fact that these wards do have challenges with regard to the basic amenities necessary to prevent infections such as cholera.

Fire

This can occur in any ward, even the Richmond Municipality's buildings are at risk, and therefore, detailed fire regulations are required. Fire is a major risk affected by climate change, and it is important that the risk profile includes Fire management plans, including training, awareness and equipment. Strategic risk mitigation plans need to be in place i.e.: Fire breaks and Equipment.

Floods

Although, this may occur in any ward, it must be noted that Ward 1 (the lower portion of the village) part of Ward 2 (Lusaka)& Ward 6 (Phatheni), Ward 3/4 (Hopewell) and Ward 5 (Nhlazuka) are in greater danger because these areas are located in close proximity to rivers. Town planning is important to assist in reducing the effects of floods in low lying areas.

Drought

Areas like eMoyeni, Mtunzini, Zulwini , Amandus Hill and Mpofana were known to receive erratic rain fall and the risk of drought was possible. We have however noted that all wards are faced with a risk of drought . The Climatic changes have a major part to play in every area, the agriculture Sector and Emerging farmers are at risk due to limited infrastructure.

Major accidents and hazardous chemicals

The R56 road is the main arterial route to the Eastern Cape and is notorious for major accidents, especially overloaded buses, taxis and heavy trucks. The Road is in a major state of disrepair and needs focus on upgrade to reduce the risks

Security

Richmond Municipality needs to have a clear plan with regard to preventing damages arising from break-in when the Municipality buildings are closed. SAPS needs to be supported in their endeavor to limit crime , through assistance of the public (CPF)and private security companies.

The main hazards faced by the Richmond Municipality are floods, drought, disease, security and fire. The Local Municipality hazard risk profile of the Richmond Municipality is given in the following table.

Hazard Risk Profile of Richmond Municipality												
Local Municipality	Floods	Fire	MV A	Snow	Cholera	Air pollution	Drought	Tornados	Hazmat	Horse Flu	Swine Flu	Bird Flu
Ward 1	Medium	Low	Medium	Medium	Low	Low	Low	Medium	Low	Medium	Medium	Low
Ward2	Medium	Medium	Medium	Low	Low	Low	Medium	Medium	Low	Low	Low	Low
Ward3	Medium	High	Low	Low	Medium	Low	Low	High	Low	Low	Low	Low
Ward4	Medium	High	Low	Low	Medium	Low	Low	High	Low	Low	Low	Low
Ward5	Medium	High	Medium	Possible	Medium	Low	Low	High	Medium	Low	Medium	Low
Ward6	Medium	High	Low	High	Medium	Low	Low	High	Medium	Low	Low	Low
Ward7	Medium	Medium	Low	Low	Medium	Low	Low	Medium	Low	Low	Low	Low
H = High Risk; M = Medium Risk; L = Low Risk; 0 = No Risk												

The following table shows the severity and frequency of different hazards:

Hazard Risk Profile of Richmond Municipality												
	Floods	Fire	MV A	Snow	Cholera	Air pollution	Drought	Tornados	Hazmat	Horse Flu	Swine Flu	Bird Flu
Severity	High	High	Medium	High	Low	Low	Low	High	Low	Low	Low	Low
Frequency	Medium	Medium	Medium	Medium	Low	Medium	Low	Low	Low	Low	Low	Low
H = High Risk; M = Medium Risk; L = Low Risk; O = No Risk												

The vulnerabilities of the Richmond include mountainous terrain, low literacy level, high poverty level, low awareness, inadequate health facilities, and remoteness of villages, poor transportation facilities and very poor communication facilities. Vulnerability of various elements to different hazards is shown in the following table:

Vulnerability of various elements to different hazards within the area of jurisdiction of Richmond Municipality												
Elements	Floods	Fire	MVA	Snow	Cholera	Air pollution	Drought	Tornados	Hazmat	Horse Flu	Swine Flu	Bird Flu
Populace	M	H	M	M	L	L	L	H	L	L	L	L
Animals	M	H	M	M	O	L	M	M	L	M	M	M
Agriculture	M	H	L	M	O	L	M	M	L	M	M	M
Drinking water	M	O	O	O	L	L	M	O	L	O	O	O
Roads	M	O	H	M	O	M	O	L	H	O	O	O
River	M	O	L	O	L	O	M	O	M	O	O	O
Hospitals	L	M	L	L	M	L	O	L	L	O	O	O
Houses	L	M	L	M	L	L	M	M	L	O	O	O

Schools	L	M	L	L	L	L	L	M	L	O	O	O
H = High Risk; M = Medium Risk; L = Low Risk; O = No Risk												

9.12.3 Risk reduction and prevention

Mitigation activities actually eliminate or reduce the probability of disaster occurrence, or reduce the effects of unavoidable disasters.

Disaster mitigation planning will comprise all activities that can be done for risk reduction. Such activities that need to be undertaken by each Department should be identified and compiled. These activities can be planned after ascertaining the condition and status of infrastructure, equipment and manpower at the disposal of each department. The activities may include creation of any new infrastructure facility for risk reduction, repair, retrofitting or upgrading of existing infrastructures, procurement, hiring, or repairing of equipment; recruitment, hiring, and training of volunteers. The detailed planning of the above activities will lead to the preparation of budget for disaster mitigation activities.

The following activities need to be taken up for reducing the future impact of disasters:

- Roads and bridges or culverts
- Communication facilities (satellite telephones, mobile phone network)
- Health facilities
- Search and rescue facilities
- Flood control measures
- Dissemination of earthquake resistant construction techniques
- Disaster awareness through schools

9.12.4 Response and recovery

The capacity of Richmond Municipality in managing disasters has been analyzed as given in the following table:

Capacity of Richmond in managing disasters												
	Floods	Fire	MV A	Snow	Cholera	Air pollutio n	Drought	Tornados	Hazmat	Horse Flu	Swine Flu	Bird Flu

Early warning	High risk	High risk	Medium risk	Medium risk	Medium risk	Low risk	Low risk	High risk	Medium risk	Low risk	Low risk	Low risk
Community participation	Medium risk	Medium risk	Low	Medium	Medium	Low	Low	High	Low	Low	Low	Low
Government Disaster Management capacity	High	High	High	High	High	High	High	High	Medium	High	High	High
Disaster Management knowledge of Government officials	Medium	Medium	Medium	High	High	High	Low	High	Medium	High	High	High
H = High Risk; M = Medium Risk; L = Low Risk; 0 = No Risk												

The Standard Operating Procedures (SOP) for various stakeholders in the Municipality has been prepared with the objective of making the concerned persons understand their duties and responsibilities regarding disaster management at all levels.

All Departments and agencies shall prepare their own action plans in respect of their responsibilities, under the standard operating procedures for efficient implementation. The Standard operating procedure shall be followed during normal times, warning stage, disaster stage and post disaster stage.

Richmond Municipality

In the event of emergency situations, the Community Services Officer together with the Rapid Response Team will attend to disaster in question and involve non governmental agencies. The Community Services Officer together with the Disaster Response Team will perform the following duties:

Normal Time

- Prepare Municipal Disaster Management Plan and disseminate to different departments, agencies, volunteers and community groups.
- Ensure basic facilities for personnel who will work at municipal level for disaster

<p>response.</p> <ul style="list-style-type: none"> ➤ Review the preparedness level in the local municipality twice a year and advice corrective steps in case of any weakness. ➤ Ensure training of teams of volunteers for disseminating disaster warnings to the field level and also for evacuation, search, rescue, relief and rehabilitation operations. ➤ Ensure availability of communication and transport facilities for delivery of warnings and relevant material to field personnel. ➤ Identify high risk areas and populations and prepare vulnerability profiles, resource profiles and contingency plans for them. ➤ Ensure state of readiness and operational status of facilities designated to serve as shelters. ➤ Arrange sufficient medical assistance for post-disaster medical treatment and control of contagious diseases and ensure stock of essential medicines.
Alert and Warning stage
<ul style="list-style-type: none"> ➤ Maintain contact with forecasting agencies and gather all possible information regarding the alert. ➤ Ensure that all concerned in areas likely to be affected by imminent disaster receive warning signals and respond accordingly. ➤ Inform members of Municipal Disaster Advisory Forum. ➤ Maintain contact with District and Province Disaster Management Centre. ➤ Instruct all concerned to remain in readiness for responding to the emergency. ➤ Advice concerned officials to carry out evacuations where required, and to keep transport, relief and medical teams ready to move to the affected areas at a short notice.
During Disaster
<ul style="list-style-type: none"> ➤ Convene meeting of Municipal Advisory Forum. ➤ Conduct Rapid Assessment and launch Quick Response. ➤ Keep District and Province Disaster Management Centre informed of the situation.
After Disaster
<ul style="list-style-type: none"> ➤ Organize initial and subsequent technical assessments of disaster affected areas

and determine the extent of loss and damage and volume and nature of relief required.

- Keep the District Disaster Advisory Forum and the Provincial Disaster Management Centre informed of the situation.
- Ensure supply of food, drinking water, medical supplies and other emergency items to the affected people.
- Request Provincial Government for assistance if the District Disaster Advisory Forum deems the situation to be beyond the capacity of the District to manage.
- Visit, coordinate and implement of various relief and rehabilitation programmers.
- Coordinate the activities of NGOs in relief and rehabilitation programmers.

9.12.5 Training and awareness

The department of Community Services has programmes on training and awareness.

9.12.6 Funding arrangements

The Richmond Municipality is still in the process of sourcing funding for Disaster Management.

9.12.7 Disaster Management: SWOT Analysis

Table 9. Disaster Management: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • complement of Senior Management in the department • Political Stability • Disaster Management plan in place • Disaster Management Forum in place • established the Rapid Response Team • One Intern deployed to the Municipality 	<ul style="list-style-type: none"> • No dedicated official dealing with disaster • Staff shortages • Lack of adequate resources • Disaster Management unit not established

Opportunities	Threats
<ul style="list-style-type: none"> • Access to Sukuma Sakhe Committee for implementation of identified project and programmes including disaster 	<ul style="list-style-type: none"> • Unplanned developments in wet land • Improper structures e.g. mud houses • Natural disasters e.g. storms, heavy rains and drought

10 DEMOGRAPHIC ANALYSIS

10.1 POPULATION

According to Stats SA Community Survey 2016 data, the total population of the Richmond Municipality is approximately 71 322 people and 17 570 households. This marks a proportionately marginal increase from 65 793 people and 16 440 households recorded in 2011. This means that the population has only increased by 5529 people whilst households increased by 1130 between 2011 to 2016. This slight increase over the years can be attributed by a number of factors such as HIV/AIDS epidemic or rural urban migration processes due to factors linked to the economic factor of the Municipality which includes limited employment opportunities, better access to public services in major urban centres and general decline in the quality of life.

Table 10. Population Distribution by Age and Gender

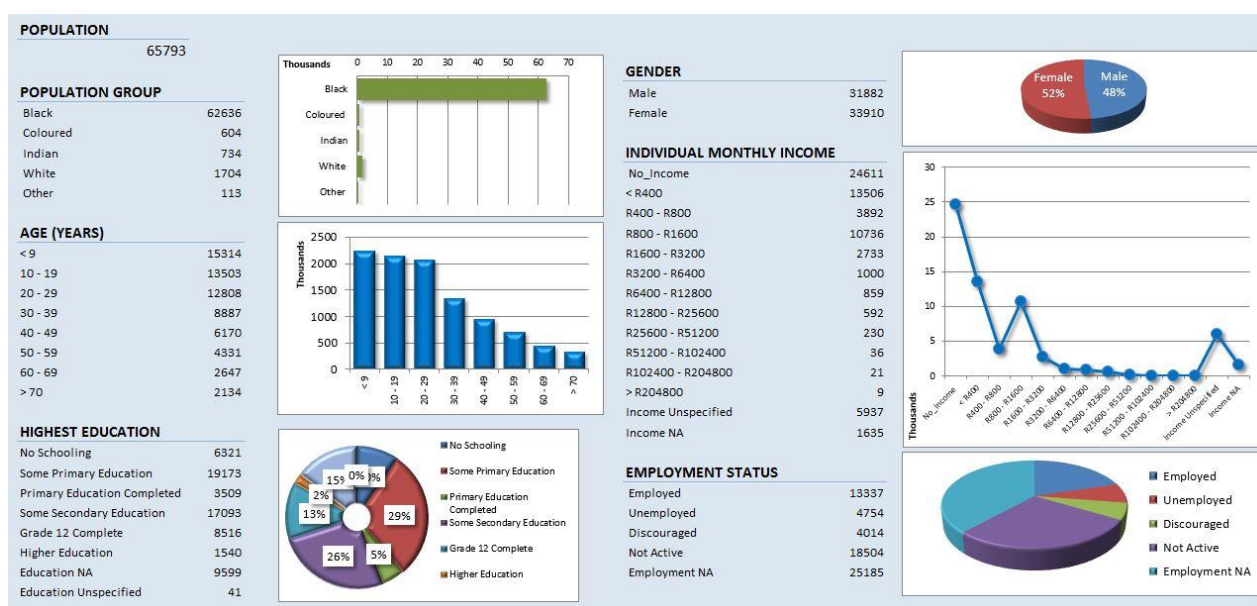


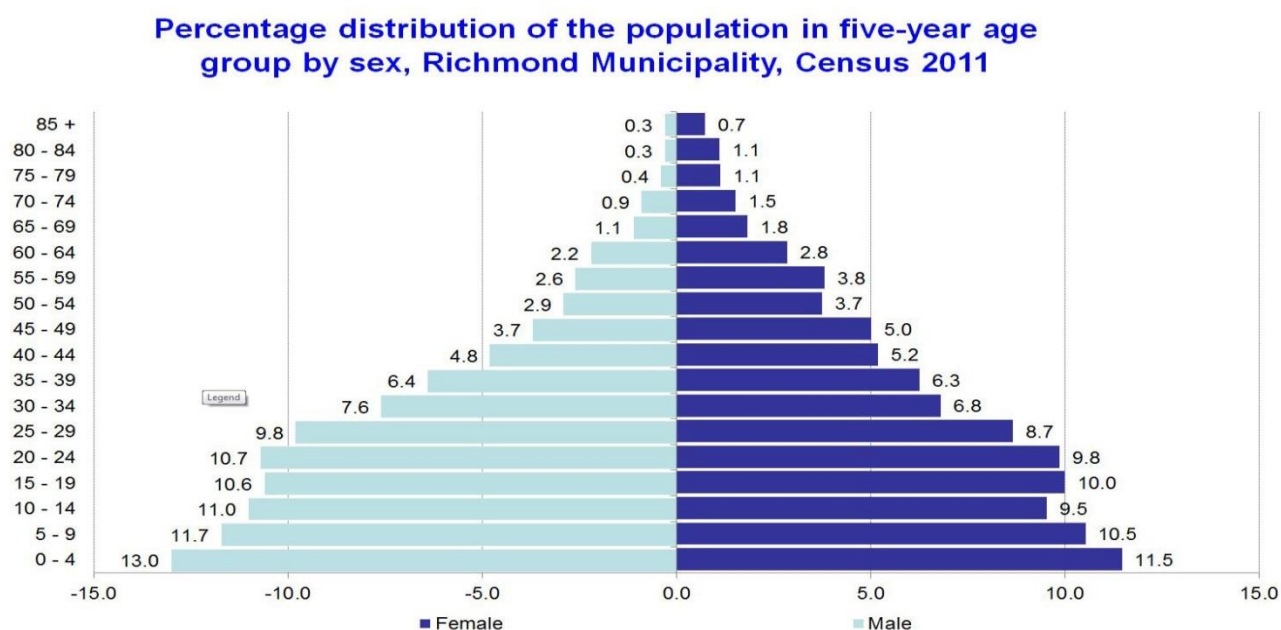
Table 11. Age Structure

Age Group	Male	Female	Total
00 – 04	4 138	3 888	8 026
05 – 09	3 718	3 570	7 288
10 – 14	3 515	3 233	6 748
15 – 19	3 369	3 387	6 756
20 – 24	3 421	3 340	6 760
25 – 29	3 112	2 936	6 047

30 – 34	2 424	2 306	4 730
35 – 39	2 033	2 124	4 157
40 – 44	1 541	1 759	3 300
45 – 49	1 170	1 699	2 869
50 – 54	938	1 268	2 206
55 – 59	832	1 293	2 125
60 – 64	694	964	1 658
65 – 69	366	622	989
70 – 74	285	519	804
75 – 79	134	383	517
80 – 84	91	373	464
85+	101	248	349
Total	31 883	33 910	65 793

Source: Stats S A: Census 2011

Figure 2. Population pyramid



Source: Stats SA Census 2011

The figure above shows that the gender distribution in Richmond, with females making up the majority of the population. Gender distribution is also a determinant factor in assisting the various tiers of government to focus investment especially to vulnerable groups like women

The population of Richmond is dominated by the youth (15 to 35 years of age) which accounts for 21 606 people or 38% of the total population. This therefore has serious implications in terms of development planning and requires the development and

implementation of programmes addressing the needs of a youthful population which may include educational facilities, creation of job opportunities and improving access to social facilities. The dominance of this group also poses social challenges since this group is sexually active and more vulnerable to HIV/AIDS. It is therefore important that the Municipality have interventions and programmes with regard to HIV/AIDS.

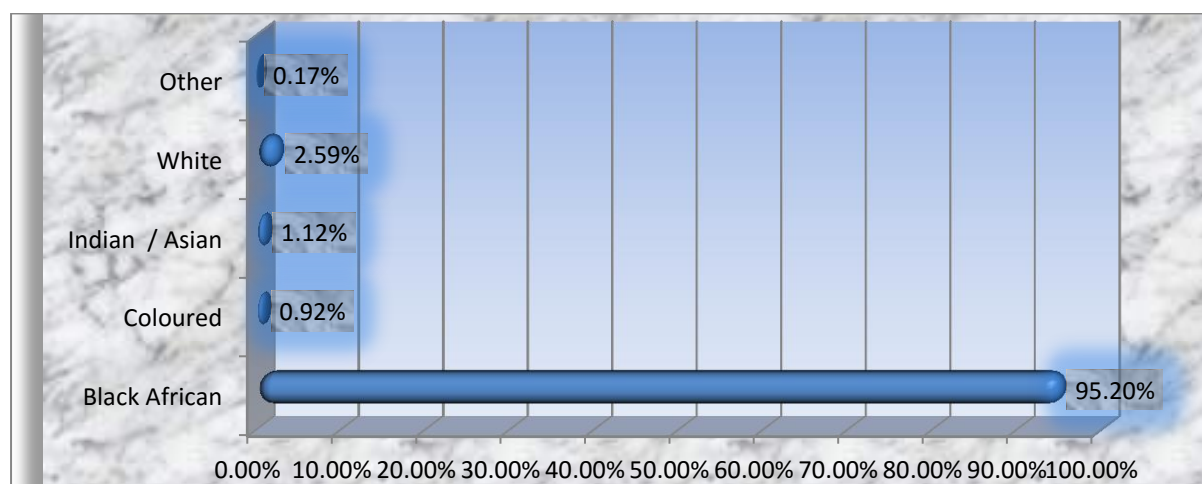
Table 12. Population Group by Race

Population Group	KZN227: Richmond (Population)	Percentage
Black African	62635	95.20%
Coloured	605	0.92%
Indian / Asian	735	1.12%
White	1705	2.59%
Other	113	0.17%
Total	65793	100.00%

Source: Stats S A: Census 2011

Racial Population Distribution

Figure 3. Population by Race



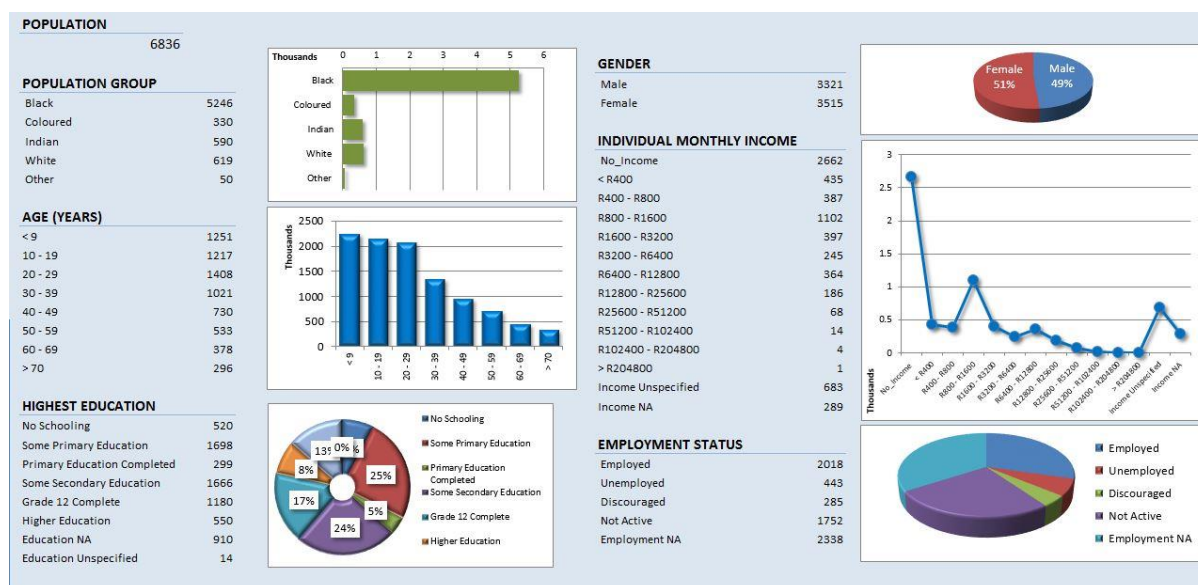
Source: Stats SA Census 2011

It is indicated in the figure above that the Blacks dominates the population group in Richmond.

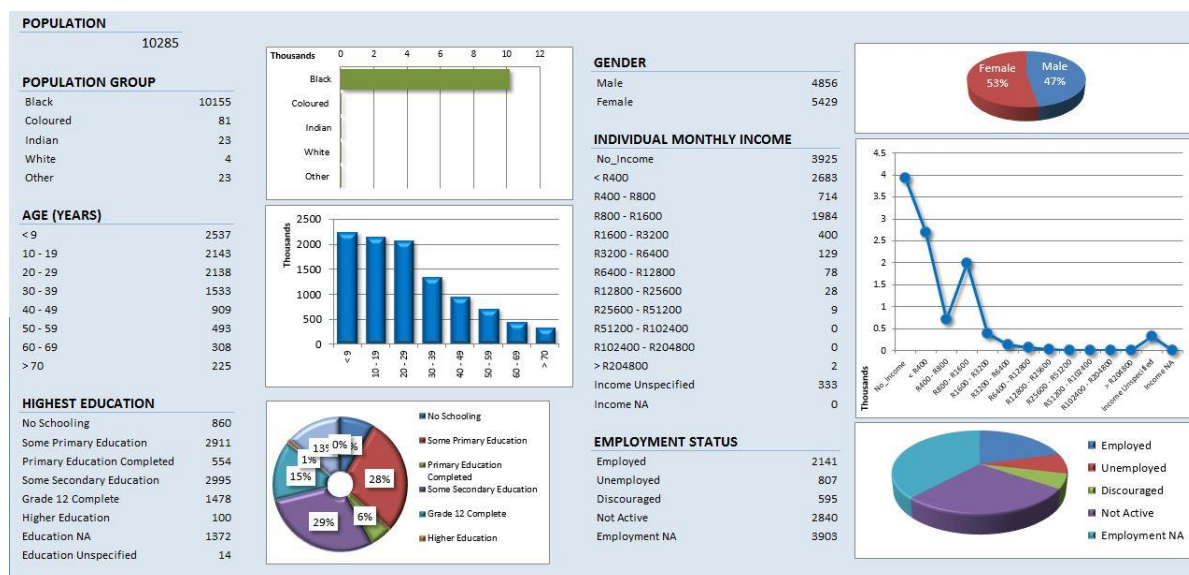
10.2 WARD INFORMATION

The following information provides a synopsis of each ward e.g population, age, education level, gender, employment rate etc:

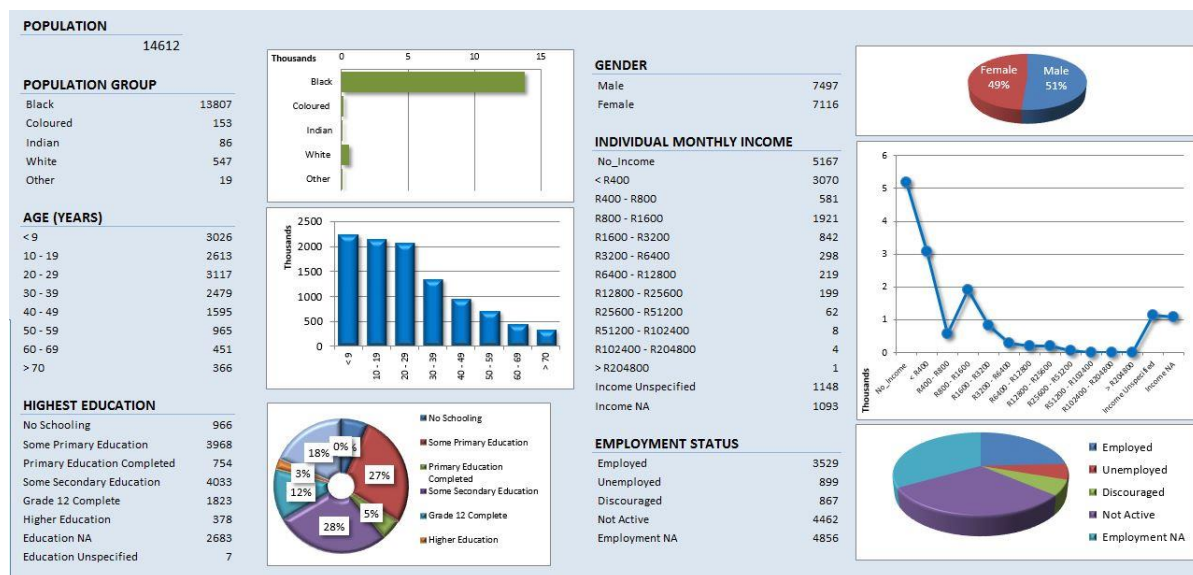
Ward 1



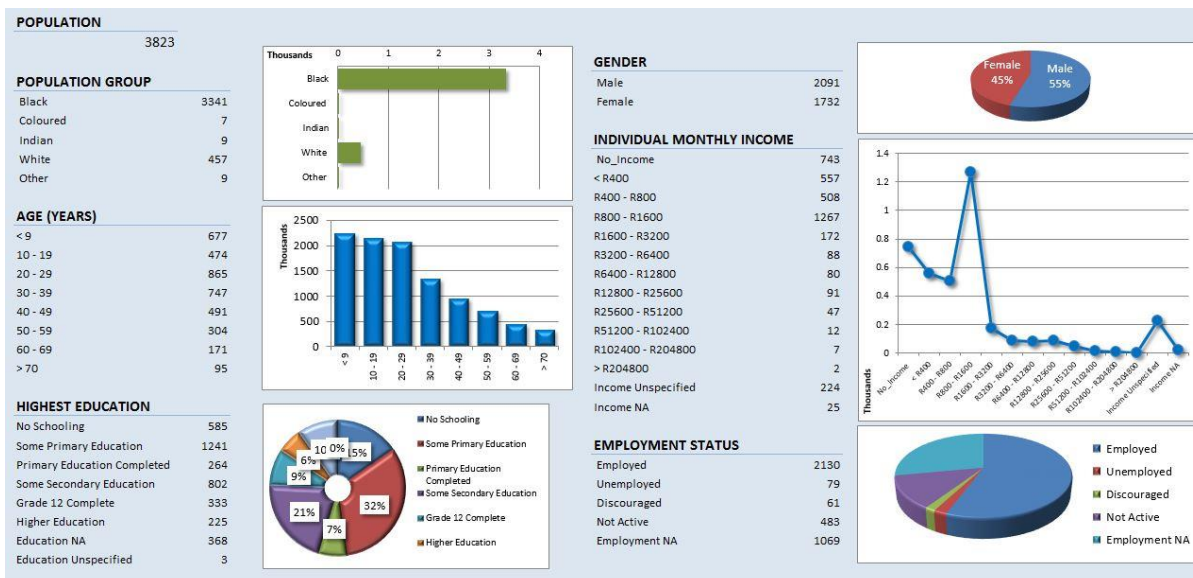
Ward 2



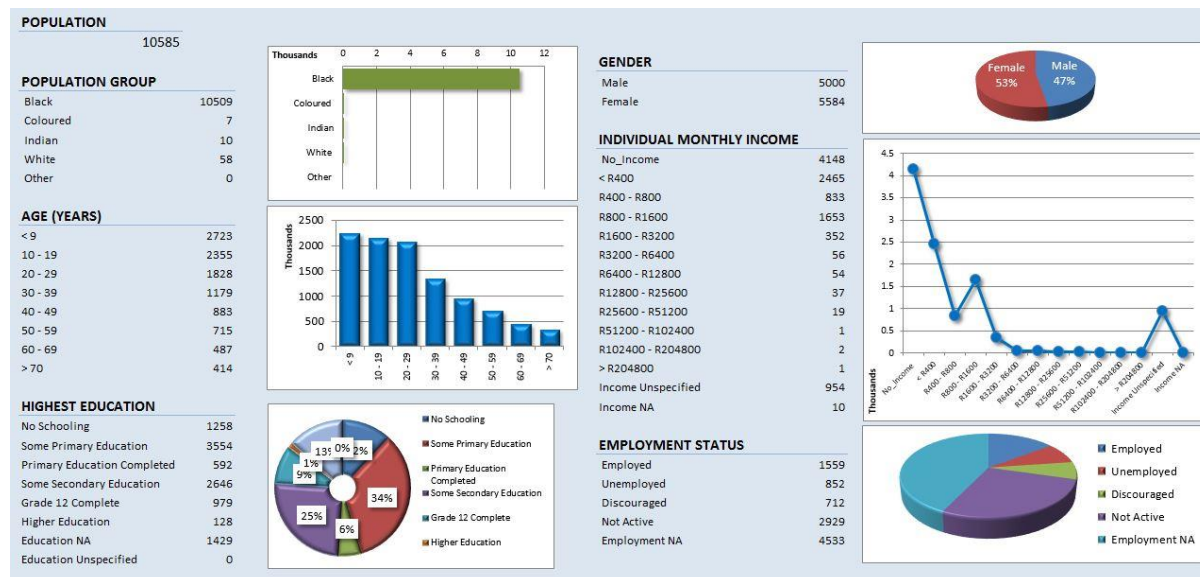
Ward 3



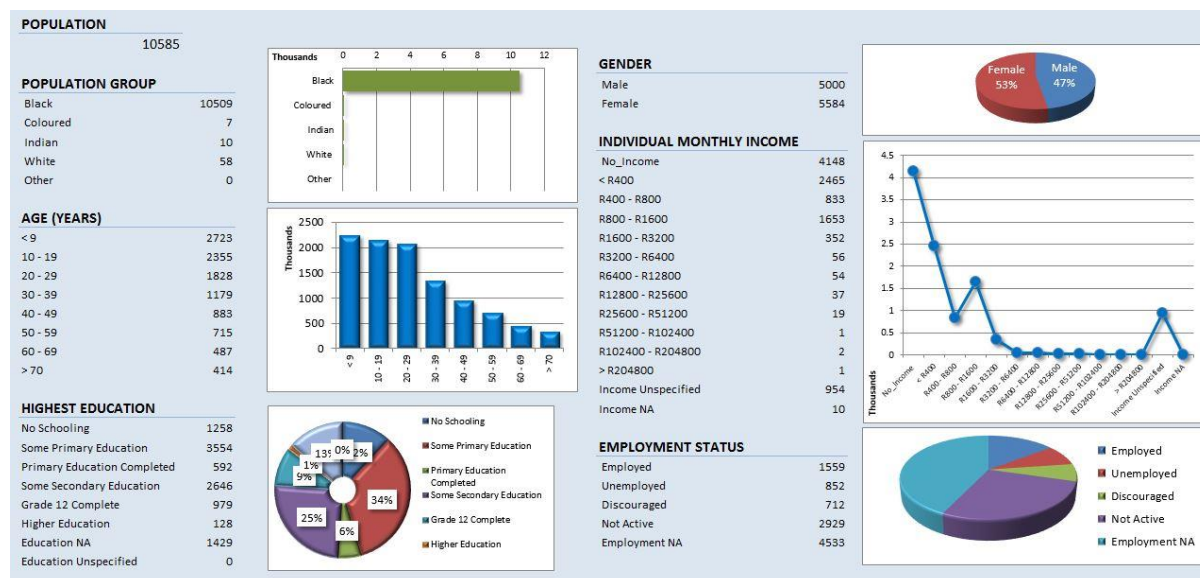
Ward 4



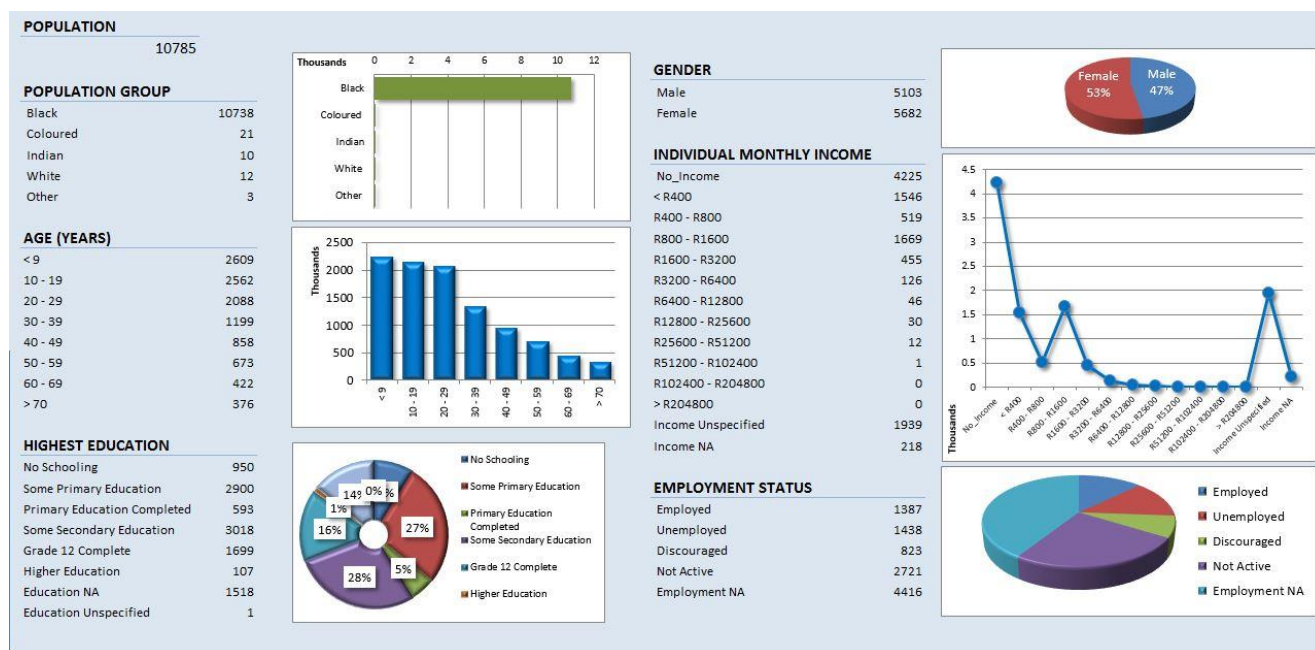
Ward 5



Ward 6



Ward 7



Source: Stats SA Census 2011

10.3 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

10.3.1 Municipal Transformation

This involves that organisation is ready in terms of capacity and able to cope with its responsibilities as outlined in the Intergrated Development Plan. In order to prepare the organisation for the delivery challenge, the organisation must have the reasonable number of employees executed to deliver on the targets set and that such employees are well capacitated with skills to be able to deliver. To transform the institution into a developmental orientated institution, the municipality develops an IDP which stipulates the developmental needs of the community than reorganise its staff such that it is able to deliver on its targets by creating and filling positions with which it hopes to achieve its objective. In this financial year, the municipality has started to implement the Work Place Skills plan to ensure that staff are well trained to perform their duties. The municipality also targeted to fill all new and vacant positions. The municipality also targeted to continue to implement performance management system with the purpose of improving performance in the workplace. The Richmond municipality Human Resource Strategy was adopted in 2014 and will be reviwed before end of 2017/18 financial year.

10.3.2 Organisational Development

10.3.2.1 Institutional Arrangements

Richmond Municipality (KZ 227) is a Category B Municipality as determined by the Demarcation Board in terms of Section 4 of the Municipal Structures Act 1998. The Municipality functions under the Collective Executive system consisting of four (3) Executive members of whom one is the Mayor. The Council consists of 14 Councillors, Of the 14 Councillors 7 are Ward elected Councillors including the members of the Executive Committee.

Section 44 of the Municipal structures Act 117 of 1998 gives guidance on powers and functions. The Council has two (2) portfolio-standing committees, with each member of EXCO serving as a portfolio councillor. The two (2) Portfolios of the municipality are as follows:

- Economic Development and Planning & Infrastructure Committee/ Human Resources

- Community Development and Social Services/information communication technology.

The communication strategies that the municipality is currently using include the Integrated Development Planning (IDP) Representative Forum, Mayoral Imbizo, Monthly Ward Committee Meetings and Communication Surveys (i.e. through Suggestion Boxes).

10.3.2.2 Powers and Functions

FUNCTIONS	AUTHORITY RESPONSIBLE
Air pollution	Environmental health which monitors the impact of air pollution is a District function
Building Regulations	Richmond Municipality
Municipal Planning	Richmond Municipality
Pontoons and ferries	Not applicable
Storm water	Richmond Municipality
Trading Regulations	Richmond Municipality
Beaches and Amusement facilities	No beaches in the municipal area
Billboards and the display of advertisements in public places	Richmond Municipality
Cemeteries, funeral parlours and crematoria	Richmond Municipality
Cleansing	Richmond Municipality
Control of public nuisance	Richmond Municipality
Control of undertakings that sell liquor to the public	Richmond Municipality
Facilities for the accommodation, care and burial of animals	Richmond Municipality
Fencing and fences	Richmond Municipality
Licensing of dogs	the municipality no longer issue licenses
Licensing and control of undertakings that sell food to the public	Assistant obtained from uMgungundlovu District Municipality

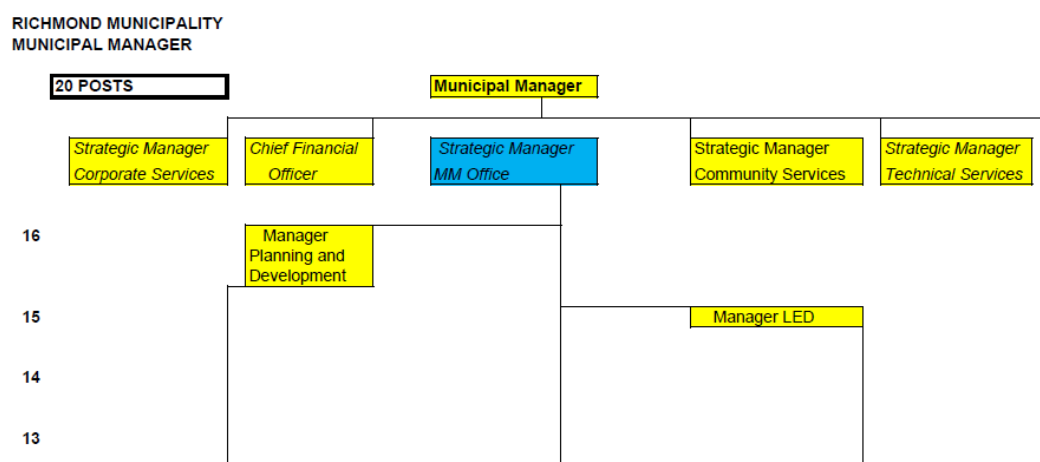
Local amenities	Richmond Municipality
Local sports facilities	Richmond Municipality
Markets	Richmond Municipality
Municipal abattoirs	Richmond Municipality
Municipal Parks and Recreation	Richmond Municipality
Municipal Roads	Richmond Municipality
Noise Pollution	Richmond Municipality
Pounds	Richmond Municipality
Public Places	Richmond Municipality
Refuse removal, refuse dump and solid waste disposal	Richmond Municipality
Street Trading	Richmond Municipality
Street Lighting	performed by ESKOM
Traffic and Parking	Richmond Municipality
Community Services/ Library	Richmond Municipality
LED	Richmond Municipality
Motor Licensing	Richmond Municipality

10.3.2.3 Organisational Structure

The municipality has a Council approved organisational structure that aligns to the long-term development plans of the municipality as well as the Powers and Functions outlined above.

The figure below is a high level municipal structure reflecting institutional arrangements for all the key functions.

Figure 4



STAFF SUMMARY

	COUNCIL	MM	CORP	FIN	COMM	TECH		
MUNICIPAL MANAGER		1					1	
STRATEGIC MANAGER		1	1	1	1	1	5	
SECRETARY	1	1	1	1	1	1	6	
MANAGER		2	1	1	2	2	8	
ADMIN	2		7		1	3	13	
COMMUNICATION		2					2	
INTERN		1					1	
PUBLIC PARTICIPATION		1					1	
RISK		1					1	
OPMS		1					1	
LED		2					2	1
YOUTH		1					1	
INTERN		3					3	
BUILDING CONTROL		1					1	
PLANNING		1					1	
INTERN		1					1	
HR			4				4	
IT			2				2	1
BUILD MAINT/CLEANING			12				12	
FLEET CONTROL			1				1	
FINANCE				4			4	1

SCM				3			3	
EXPENDITURE				2			2	1
REVENUE				3			3	1
INTERN				5			5	
COMMUNITY SERVICE					1		1	
COMMUNITY FACILITIES					12		12	
HOUSING					1		1	
LIBRARY					6		6	
TRAFFIC					8		8	1
SCHOLAR PATROL					4		4	
SECURITY					14		14	
DRIVER LICENCE					5		5	3
MOTOR LICENSING					2		2	
LEARNER LICENCE					5		5	
PMU						1	1	
INTERN						1	1	
SENIOR TECHNICIAN						1	1	
TECHNICIAN						1	1	
MECHANICAL						3	3	1
ESTATES						12	12	
CLEANSING						17	17	1
LANDFILL						3	3	
ROADS						16	16	2
MAINTENANCE						0	0	

3	20	29	20	63	62	197	13
---	----	----	----	----	----	-----	----

0	0	4	4	4	4		16
---	---	---	---	---	---	--	----

Organization (Filled Positions)

The current structure indicates that the Municipality employs 197 employees. However the vacancy rate is calculated at the end of each financial year for the Annual Report.

10.3.2.4 Municipal Institutional Capacity and Critical Posts

The Municipal Manager post and 4 critical posts (sect. 56 posts) are filled.

10.3.2.5 Human Resource Development

The following Human Resource Policies have been adopted by Council and are being implemented: Recruitment, Delegations, Acting allowance, Leave, Staff Bursary Policies. The policies are revised as and when necessary.

The following institutional characteristics, issues and challenges impact on the future development of the Richmond Municipality and need to be taken forward in the Integrated Development Plan Process:

- The implementation in terms of the Employment Equity Act and the Skills Development Act is still a challenge. However, attempts have been made to comply during the recent recruitments.
- Improving the Organizational Performance Management System of the Municipality and ensuring that Strategic Managers cascade the system to all employees within the organization.
- Inadequate funding to develop skills of the staff, political office bearers and Ward Committees.

All employees have individual performance work plans that are assessed quarterly. This allows for the identification of skills needs to compile personal development plans. These needs will be included in the organisational Workplace Skills Plan.

10.3.2.6 Municipal Transformation and Organisational Development: SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> ○ 100% of Senior Management ○ Fully established and functional Supply Chain Management Committees ○ Political Stability ○ Work Place Skills Plan accepted and submitted in compliance ○ 70% of policies formulated and adopted ○ Existence of portfolio committees ○ Existence of Local labour forum ○ Registry Manual and archives act ○ Adoption and Implementation of Vehicle management policy ○ Appointment of fleet clerk ○ Existence of IT policy 	<ul style="list-style-type: none"> ○ Limited experience in specific fields of expertise ○ Lack of supervisory skills (planning, people management, ineffectiveness) ○ Lack of capacity (Financial Resources) to successfully implement Municipal Turn Around Strategy ○ Portfolio committees not functioning adequately ○ Local labour forum not functioning adequately ○ Lack of proper Municipal building maintenance plan ○ Poor implementation of registry manual

	<p>and a shortage of staff</p> <ul style="list-style-type: none"> ○ Vehicle management policy is not fully implemented ○ IT policy not fully implemented ○ Limited capacity building for Councillors ○ Lack of funding to address skills shortages identified in skills audit ○ Inability to attract and retain adequately skilled and experienced staff ○ Inadequate implementation of Policies and Bylaws
Opportunities	Threats
<ul style="list-style-type: none"> ○ Establishment of a panel of disciplinary specialists, by SALGA KZN, to preside over disciplinary enquiries ○ Availability of the Skills Development Act ○ Availability of the Labour Relations Act to ensure a successful working relationship between the Employer and the Employee 	<ul style="list-style-type: none"> ○ Change in market/economic forces – global and regional markets/economies which cannot be controlled by local market (global economic recession) ○ Lack of integrated approach to service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals ○ Lack of finalisation of job evaluations committees and implementation ○ The contractual employment of Section 57 officials threatens the continuity of service delivery

10.4 SERVICE DELIVERY & INFRASTRUCTURE ANALYSIS

10.4.1 Water and Sanitation

Ward One (Richmond Village) is serviced in terms of reticulated water and sanitation; however, problems are experienced with regard to the dilapidated infrastructure and limited capacity of sewerage plant. In semi urban areas of Ndaleni and Hopewell households make use of communal water standpipes and self built VIP toilets. The following problems were identified; uneven distribution of services; inadequate reticulation, water wastage and illegal connections.

The municipality is not the water service authority providing water and Sanitation services. The Umngungundlovu District Municipality carries this function. The Water Services Development Plan was adopted by council in 2017. The WSDP has been reviewed and adopted by Council in 2017 after a vigorous public participation process in line with the uMngungundlovu District IDP.

The links to the WSDP are:

[http://www.glsfiles.co.za/cgibin/FileManager/Manager.pl?file=UMDM%20GDB%2FWSDP%20documents%2FWSDP%20report%20\(revised\).pdf&link=1342645f204c7d80affa09d43f6f6ac6&a=21](http://www.glsfiles.co.za/cgibin/FileManager/Manager.pl?file=UMDM%20GDB%2FWSDP%20documents%2FWSDP%20report%20(revised).pdf&link=1342645f204c7d80affa09d43f6f6ac6&a=21)

Module 1

[http://www.glsfiles.co.za/cgibin/FileManager/Manager.pl?file=UMDM%20GDB%2FWSDP%20documents%2FWSDP%20Module%201%20Report%20-%20UMDM%20\(revised\).pdf&link=06441985a04281a1efd9c15c27fe57f8&a=21](http://www.glsfiles.co.za/cgibin/FileManager/Manager.pl?file=UMDM%20GDB%2FWSDP%20documents%2FWSDP%20Module%201%20Report%20-%20UMDM%20(revised).pdf&link=06441985a04281a1efd9c15c27fe57f8&a=21)

The following table identifies households indicating percentage distribution by type of water source within the Richmond Municipality

Table 13: Distribution water by households

	Census 2011	Community Survey 2016
Access to piped water	13 654	13 567
No access to piped water	2786	4057
Total	16440	17624

Stats S A: Census 2011, Community Survey 2016

Other households obtain their water from rivers or streams, spring, borehole, dam, pools and rain water. This will be a contributing factor towards the outbreak of cholera.

The following table indicates the distribution of households with improved sanitation.

Table 14: Distribution of households with improved sanitation

	Census 2011	Community Survey 2016
Flush/chemical toilet	6364	5249
Other	10076	12375
Total	16440	17624

Stats S A: Census 2011, Community Survey 2016

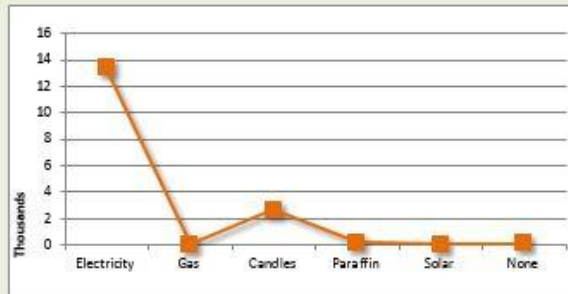
Other Households have pit toilets and bucket toilet. The above table indicates that there is slight decrease in the delivery of Sanitation within the Richmond area.

HOUSEHOLDS

16440

ELECTRICITY (LIGHTING)

Electricity	13395
Gas	33
Candles	2685
Paraffin	166
Solar	68
None	95

**ELECTRICITY (COOKING)**

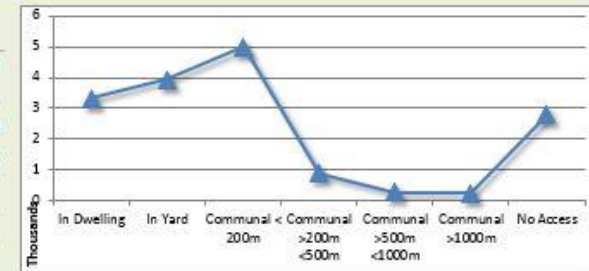
Electricity	10051
Gas	431
Paraffin	819
Solar	25
Wood	5018
Coal	31
Dung	10
Other	10
None	44

**ELECTRICITY (HEATING)**

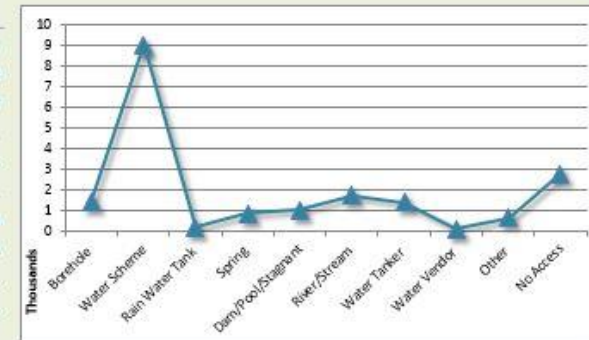
Electricity	7737
Gas	218
Paraffin	269
Wood	6360
Coal	70
Dung	20
Solar	25
Other	5
None	1735

**PIPED WATER**

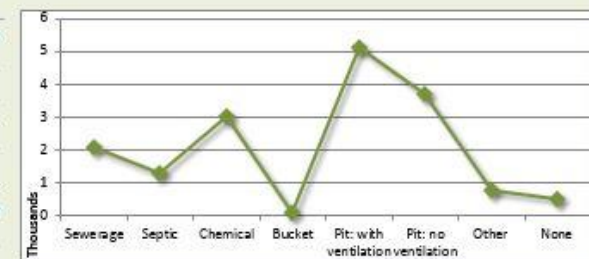
In Dwelling	3319
In Yard	3932
Communal <200m	4980
Communal >200m <500m	898
Communal >500m <1000m	277
Communal >1000m	247
No Access	2785

**WATER SOURCE**

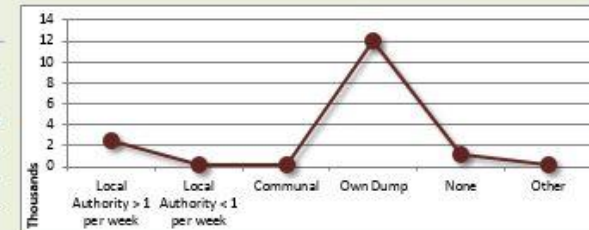
Borehole	1413
Water Scheme	9060
Rain Water Tank	189
Spring	861
Dam/Pool/Stagnant	1013
River/Stream	1722
Water Tanker	1420
Water Vendor	106
Other	654
No Access	2785

**SANITATION**

Sewerage	2078
Septic	1262
Chemical	3022
Bucket	74
Pit: with ventilation	5087
Pit: no ventilation	3684
Other	730
None	501

**REFUSE REMOVAL**

Local Authority > 1 per week	2551
Local Authority < 1 per week	257
Communal	228
Own Dump	12065
None	1115
Other	224



10.4.2 Solid Waste Management

The Richmond Town area is the only place where solid waste removal services are available. The service is not available to households in the rural areas. In the semi urban skip bins are evenly distributed so that the community can dump their waste. Communities rely on traditional methods of disposing litter which include digging a pit for dumping purposes. Others dispose of waste in the open without any formal pattern. Disposal of waste in the open can have serious negative impacts on the environment and human health. An awareness programme is required to develop proper refuse removal mechanisms. Richmond Municipality has a licensed land fill site.

Table 15. Richmond estimated volume density

Richmond		
Waste type/streams	Waste generated per annum (tons)	Total percentages
Organic waste	50	9.25926 %
Cans	50	9.25926 %
Paper	80	14.8148 %
Glass	60	11.1111 %
Plastic	100	18.5185 %
Construction and demolition waste	200	37.037 %
Tyres	0	0 %
Other	0	0 %
Total		100 %

The Municipality has developed a Integrated Waste Management Plan in 2017/18 that will coordinate and guide waste management in the entire municipality however the plan is still a draft and will be adopted by council in the 2018/19 financial year.

When the district wide Waste Management Plan is being formulated, the Municipality must ensure that inputs for a framework for integrated and sustainable waste management practices and must be supported by the following principles:

- The reduction of waste by encouraging prevention and minimization initiatives such as re-use and recycling
- The improvement of living environmental conditions of the community through environmental education and awareness, capacity building and cash generation for the poor through the establishment of sustainable buy-back centres

- The reduction of adverse environmental impacts of the waste produced
- To encourage the re-use of other waste types

Of great importance when assessing the backlogs identified, it is imperative on all service providers, role players, sector departments, Umgungundlovu District Municipality as well as the local municipality is to ensure that the provision of housing is coupled with the provision solid waste management.

Table 16: Distribution of households by type of refuse disposal

Refuse Removal	No Households in 2011	No Households in 2016
Removed by local authority/private company at least once a week	2551	2559
Removed by local authority/private company less often	256	79
Communal refuse dump	228	1001
Own refuse dump	12064	12761
No rubbish disposal	1116	1153
Other	224	16
Total	16440	17569

Stats S A: Census 2011 , Community survey 2016

It is clear from the Table above that 12761 of households within the Richmond area have no access to refuse removal which indicates there is huge backlog in the provision of this service. Currently 100% of urban households within the Municipality are covered by a waste collection system, whilst 0% of rural households are covered. It is therefore important for the Municipality to extend the refuse removal collection to other areas within the Municipal area or to have other alternative measure in place.

10.4.3 Transport Infrastructure

The main road linkages in the municipality are the R56 forming a north-south corridor and links Pietermaritzburg, Richmond and Ixopo and the R624 linking Richmond to the coast. There are a number of provincial roads which links the Richmond Town to other areas such as Thornville, Hopewell, etc. In addition, district and local roads provides the rural hinterland areas with access to the main roads.

Provincial roads within Richmond are in a fair to poor condition. The roads within the town of Richmond although tarred are in a poor condition. In addition, the following issues were also identified with respect to these roads i.e. inadequate storm water drainage, lack of speedhumps, lack of adequate electronic traffic calming measures, lack of properly aligned pedestrianwalkways and poorly designed parking bays. In the semi-urban areas only the

main roads in the Greater Ndaleni area, Hopewell, Thornville and Byrne Valley are tarred. The remainder of the roads, which are mainly gravel roads, are in poor condition.

The following were also identified as issues which need to be taken into account:

- Lack of all weather access roads;
- Deterioration of existing infrastructure;
- Lack of piped storm water drainage;
- Lack of sidewalks;
- Lack of speed humps and signage; and
- Overgrown verges.

The rural gravel roads at Inhlazuka, Phatheni, Gengeshe, Mgxobeleni, Masangazane and Somozomeni require regular maintenance.

10.4.3.1 Public Transport

In terms of public transport, there are eleven routes which transport passengers within and outside of the Richmond municipal areas viz.:

Table 17: Public Transport Routes

ORIGIN	DESTINATION
Richmond Taxi Rank	Durban
Ixopo Taxi Rank	Richmond
Gengeshe	Richmond
Richmond	Eston
Masangazane	Richmond
Magoda	Richmond
Ndaleni	Richmond
Phatheni	Richmond Taxi Rank
Simozomeni	Richmond Taxi Rank
Inhlazuka	Richmond
Pietermaritzburg	Richmond

Source: KZN Department of Transport

Communities in the area depend on public transport to move from one area to the other with Richmond servicing as the main public transport interchange area. The Public Transport Plan (PTP) for the district recommended the development of taxi ranks and the associated facilities in all nodal areas and shelters along the main taxi routes. The municipality has not yet developed a Local Integrated Transport plan.

10.4.4 Energy

ESKOM is a sole distributor of electricity in the Richmond Area. Most of the households in rural areas have no access to electricity. Other alternative sources of energy such as candles; paraffin, coal etc are utilized by households without access to electricity. The lack of access to electricity is attributed to inadequate bulk supply, poor access to areas due to topography and insufficient funding.

The following tables indicate percentage of household distribution by type of energy used for lighting, cooking and heating within the Richmond Municipality:

Table 18. Energy Sources

Cooking			Heating			Lighting		
Electricity	10050	61.13%	Electricity	7737	47.06%	Electricity	13395	81.48%
Gas	431	2.62%	Gas	217	1.32%	Gas	33	0.20%
Paraffin	819	4.98%	Paraffin	269	1.64%	Paraffin	165	1.00%
Wood	5019	30.53%	Wood	6360	38.69%	Candles	2684	16.33%
Coal	31	0.19%	Coal	70	0.43%	Solar	68	0.41%
Animal dung	10	0.06%	Animal dung	21	0.13%	None	95	0.58%
Solar	25	0.15%	Solar	25	0.15%	Total	16440	100.00%
Other	11	0.07%	Other	5	0.03%			
None	43	0.26%	None	1736	10.56%			
Total	16440	100.00%	Total	16440	100.00%			

Stats S A: Census 2011

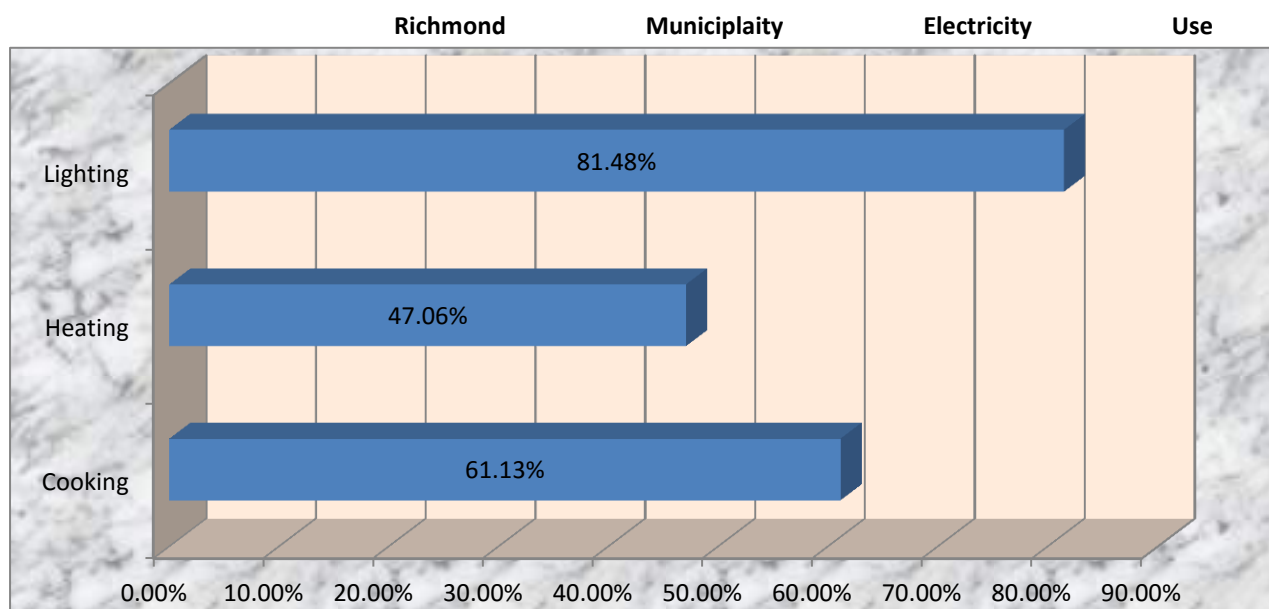


Figure 4: Household Uses of Electricity: Stats S A Census 2011

The above Figure: indicates that there is significant improvement in the use of electricity in 2007 when compared to 2001 Census data. It indicates that there is an increase in the number of households having access to electricity

10.4.5 Access to Community Facilities

The geographic spread of **sports facilities** within the Richmond Municipality indicates that only certain areas have access to these facilities. Sports fields are found at Ntsongeni, Ndoleni at Slahla, KwaGengeshe, Mzinolovu, Smozomeni, Phatheni and Mpofana. The obvious lack of multipurpose sporting facilities in all wards is evident

The spread of **community centres/halls** is also unevenly distributed in the municipal area. Community halls are found at Hopewell, Phatheni, KwaGengeshe, Magoda, Smozomeni, Siyathuthuka, Richmond Village and Ndoleni while a Thusong Centre is located at Inhlazuka.

The following social services characteristics, issues and challenges impact on the further development of the Municipality and need to be taken forward in the Integrated Development Plan Process:

- The Municipal area is disadvantaged in terms of the provision of security and emergency services by public service sectors.
- Social facilities and programmes to deal with the HIV/AIDS have been developed however there is still a significant shortage of facilities to deal with this pandemic. The Municipality has established the local HIV/AIDS Council, the objectives and function of the council its main objectives are to guide and facilitate the implementation in the Richmond Municipality of The National HIV and AIDS strategic plan and other related matters, facilitate, monitor and evaluate the protection, promotion and fulfilment of the rights affected and infected persons living with HIV and AIDS in the Richmond Municipal area.
- There is inadequate burial space due to the high mortality rate. In attempt to address this challenge the municipality has engaged with the district municipality to identify suitable land for the establishment of the regional cemetery. This is being addressed in the Integrated Cemeteries and Crematoria Plan that is being compiled by the District Municipality.
- Even though Municipal Infrastructure Grant by the Department of Cooperative Governance and the Public Amenities Programme by the Department of human settlements are addressing the backlog in terms providing funding for social infrastructure, the funding of operation and maintenance of such facilities is still a challenge.

10.4.6 Human Settlements

10.4.6.1 Current Housing Demand

The following information has been extracted from the Richmond Municipality Housing Sector Plan. This plan has been reviewed. This plan will be used for delivery of housing. Detailed information is contained in the report.

The largest proportion of the population is based in the tribal authority areas. These areas are characterized by the low level of basic services and are relatively far removed from the major employment centres. The table below provides a summary of the data collected from the 2001 census in relation to housing typologies and therefore housing demand.

	Traditional	%	Slums	%	Employment levels	%
1	Area 5	41	Area 6	46	Area 4	23
2	Area 7	23	Area 2	20	Areas 5,6	13
3	Area 4	17	Area 3	14	Areas 2,3&7	10-13%
4	Areas 2,3,6	3-8				

Table 19. Housing typologies.

Based on the information captured in the 2011 census, in terms of rural need based on household types Ward 5: Inhlazuka, should be assisted primarily (there is however an existing project in that area providing 1000 units) thereafter, Ward 6: Patheni (already covered with a rural project consists of 700 units) and Gengeshe, Masangazana and Mgxobeleni (it is suggested that a further rural housing projects be initiated in the Gengeshe, Masangazana, Mgxobeleni ward), thereafter ward 3: Hopewell.

While in terms of potential slums clearance or informal upgrade projects, the areas of greatest need are firstly Area 6: Ndaleneni, Smozomeni, Emaswazini, (Insitu Upgrade project covering 800 sites suggested for this area) Area 2: Magoda, Town lands, Ekupholeni (currently covered by the Siyathuthuka P1 (758) and P2 (1000) projects) and thereafter Area 3: Baynesfield, Byrne, Sidakeni (Insitu Upgrade project covering 400 sites suggested for this area). (Siyathuthuka Phase 2 is an active project with 1000 stands already conditionally approved by the Department which also include the Indaleni Area).

The total demand for rural housing has been calculated at 1 416, while the total demand for slums clearance or informal upgrade projects has been calculated at 2310. Therefore the total estimated demand for housing in the Richmond Municipality is $(1416+2310) = 3\ 726$.

10.4.6.2 Current and Planned Housing Projects

The following projects have been approved by the MEC and are being implemented currently and have been budgeted by the Department of Human settlements. These

projects have been budgeted for and some not. Other projects are still going through the planning stage.

PROJECTS	NO.OF UNITS	AREA	WARDS	PROJECT STATUS
Phatheni Housing Project	700	Phatheni	6	Completed
Zwelethu Housing Project	120	Baynesfield	5	Construction Phase
Siyathuthuka Phase 2 Housing Project	1000	Siyathuthukha	2	Planning Stage
St Bernard's Housing project (Land Reform Projects)	360	Nhlazuka	5	Planning stage
Amandus Hill Housing Project(Land Reform Projects)	40	Nhlazuka	5	Planning stage
Nhlazuka Housing Project	1000	Nhlazuka	5	Construction Phase
Middle income Housing	400	Richmond Village	1	Planning Stage
Bhongoza Informal Settlement	200	Siyathuthuka	1	Planning Stage
Hopewell Housing Projects	1000	Hopewell	4	Planning Stage
Tedan housing project	100	Tedan Farm	6	New project
Gengeshe Housing project	400	Gengeshe	6	New project
Mzinolovu Housing project	300	Mzinolovu	1	New project
kwaMagoda Housing project		Magoda area	7	New project
Nhlazuka Housing Project Phase 2	1000	Nhlazuka	5	New project

Table 20.Housing projects

10.4.7 Telecommunications

The growth of the Information Communication Technology (ICT) in the country has been noted as one of the most significant factors stimulating the economic growth. In the same light the importance of this sector has been recognised by the KwaZulu-Natal province, which has been translated into the Provincial Growth and Development Strategy and the Industrial Development Strategy. This sector has been acknowledged for its importance in the creation of a knowledge economy and as a contributor to social development and participation of the wider community through ICT enabled activities.

Presently, the Richmond Municipal does not have a developed ICT sector. However, with the coverage signal from Telkom, Vodacom, Cell C and MTN there is an opportunity for the ICT development.

10.4.8 Service Delivery and Infrastructure: SWOT Analysis

Table 21. swot analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Basic plant and equipment to implement responsibilities • Fully established and functional Supply Chain Management Committees • 90% of critical positions filled • Political Stability • The Municipality is financially viable 	<ul style="list-style-type: none"> • Limited skills and experience in specific fields of expertise • Lack of supervisory skills (planning, people management, ineffectiveness) • Limited funding sources (new infrastructure, repairs to dilapidated infrastructure, appointment of appropriate number of employees) • Slow turn around in the processes of Supply Chain Management • Difficulty to retain adequately skilled and experienced staff • Lack of well-informed infrastructure and maintenance plans • Lack of integrated approach to service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals • Lack of industrial or commercial municipal owned land for development of social and infrastructure projects
Opportunities	Threats
<ul style="list-style-type: none"> • Training and capacity building • Potential capital infrastructure grant from Sector Departments • Funding for the establishment of the PMU 	<ul style="list-style-type: none"> • Impact of HIV/AIDS and chronic diseases • Negative political influence • Economic recession • Natural disasters

11 LOCAL ECONOMIC AND SOCIAL DEVELOPMENT ANALYSIS

All around the world, local governments, the private sector and civil society are demanding better ways to achieve local economic development, a cornerstone to sustainable development. This is due to the fact that local government faces increased democratic reforms and greater decentralisation at the same time as massive transformations are taking place in the global economy resulting from trade liberalisation, privatisation and enhanced communications. The significance of these changes is that citizens and local government face formidable challenges, greater opportunities, and growing responsibility to work together to address the economic health of municipalities and the livelihood of their local citizens, many of whom are under- or unemployed and living in poverty.

This requires firmly placing LED within the broader framework of local sustainable development and because LED is a participatory process requiring people from all sectors to work together to stimulate local commercial activity it is necessary to understand that LED is a process-orientated and non-prescriptive endeavour incorporating:

- a. Local values (poverty reduction, basic needs, local jobs, integrating social and environmental values);
- b. Economic drivers (value added resource use, local skills training, local income retention, regional cooperative) and
- c. Development (the role of structural change, quality of development)

The above therefore suggests that LED is not about “quick fixes” or generating wish lists. It requires a practical understanding of what the local area does well and what it has to offer, where its weaknesses and gaps lie, what outside threats and opportunities exist, and what the local area wants and needs.

The revised vision and mission affirms the premise of ensuring that a consolidated approach through the formulation and implementation of the Local Growth and Development Strategy is taken to realising and advancing:

- i. Competitive and Comparative Advantage: Whilst acknowledging that Richmond may be on the cusp of either imploding or igniting into its envisioned growth, optimism in the new leadership and the realignment of departments, provides the premise that that the exploitation of the competitive advantages is a reality. Agriculture, agri-processing, manufacturing, locality (bordering the Capital of KZN and along the R56 to the Eastern Cape) needs to be strongly advocated.

- ii. Friendly and Safe Environment: A conducive environment promoting wealth creation, safety and security, environmental protection needs to be advocated.
- iii. To Work: The Youth dominate the demographic and with seventeen High Schools in Richmond the influx of high school graduates into the pool of unemployed school leavers places strong emphasis on initiatives for long term development of Youth to allow them to actively engage in the labour market. Methods should focus on life-long learning thereby providing the principle of providing bursaries for school leavers.
- iv. To do business: Investment friendly initiatives to be unconventional and need to be inclusive of red tape reduction. Whilst simultaneously attracting investment it becomes imperative that methods to retain the existence and expand the operation of current business with focus on SMME's and Cooperatives as a means to adequately address the triple challenges.

In this regard, the current methodology of procurement with public funds needs to be innovative to espond to set-aside procurement from targeted sectors (Youth, Women, Disabled and Military Veterans) and should strive to build capacity and develop skills.

- v. A better life and access to quality service delivery: Being a grant dependent Municipality, revenue enhancement strategies need to be crafted which do not increase the burden on the poor and infrastructure plans regularly updated so as to identify critical infrastructure requirements. In addition, the Municipality needs to respond to infrastructure development as a means to attract investment, especially in the nodal areas (e.g. CBD, proposed Industrial Node of Thornville, Baynesfield and Hopewell).
- vi. Stakeholder Relations: The Constitution of the Republic of South Africa, 1996 assigns specific Powers and Functions to the different spheres of government and categories of municipalities. In the Richmond context, as the only authority with all inclusive authority within the local sphere, the municipality has a fundamental role to play in strengthening stakeholder relations and engagements so as to address backlogs and reduce possible repetition of services provided.
- vii. Good Governance including the Policy Environment: A constitutional mandate exists that requires that we remain accountable and in so doing, the onus rests with us to facilitate participative governance as a means to strengthen coordination and capacity. A policy environment which is pro-poor but economically sustainable needs to be informed by all stakeholders and actively implemented.

- viii. Improved livelihoods: The spatial inequity created by past imbalances continues to exist in predominantly the rural areas. Pragmatic measures to redesign areas should have already occurred however in the absence of this, this strategy through its catalytic projects needs to remain mindful of the pressing need for spatial equity.

11.1 LOCAL ECONOMIC DEVELOPMENT UNIT STRUCTURE

The Local Economic Development Unit reports under the Municipal Managers Office.

The current structure is as follows:

Manager: LED- Vacant (LED Officer is currently acting),

Officers: Local Economic Development (2)

Tourism Intern (1)- Funded by EDTEA

The LED Unit faces capacity constraints as the Unit is short staffed, the Acting LED Manager is performing both duties of the officer and those of the Manager which also causes some delays in other matters. The placement of EPWP function in LED Unit also increase the work load and there is no staff that is designated to specifically perform EPWP function.

The Municipality is currently facing budget constraints however, it is necessary to provide relevant trainings to improve understanding of LED and additional of more staff to improve capacity and productivity and also set aside budget for Research and Development.

11.2 LOCAL GROWTH AND DEVELOPMENT STRATEGY (LGDS) – FORMERLY LOCAL ECONOMIC DEVELOPMENT (LED) STRATEGY

The Local Growth and Development Strategy (LGDS), 2017 – 2022 was developed IN-HOUSE and is aligned to district, provincial, national, continental and global strategic goals and as a sector plan to the IDP was adopted by Council at its meeting held on 30 May 2017. The strategy is however reviewed annually and it will be reviewed and adopted by Council in the next financial year.

With the strengthening of local economic development as the catalyst for radical economic transformation, greater innovative emphasis has been placed on addressing the challenges which continue to plague communities. Success of the LGDS can only be realised in encouraging a business environment where markets can operate efficiently, but appropriately, within the local context. Micro, Small and Medium-sized enterprises must be strongly supported and encouraged to take the lead as they play a key role in creating new

local employment, wealth and tax generation. Visible results can help maintain momentum in the short term, and simply initiating a single project focusing on one critical issue might pave the way for long term success. Ultimately LED is about sustainable development in the long-term, for it takes time to change local conditions and mind sets, building capacity, organise participatory processes and empower stakeholders, especially the poor.

12.2.1 STAKEHOLDER ENGAGEMENTS (STRATEGY FORMULATION)

To ensure ownership of the socio-economic trajectory, the strategy was developed in partnership with the following stakeholders:

STAKEHOLDER/S	SECTOR	RATIONALE / INPUT
uMgungundlovu District Municipality, DARD, DRDLR, ADA, CoGTA, EDTEA (RLED Unit), LMs within Umdm	<ul style="list-style-type: none"> LED Forum DAPOTT (District Agripark Operational Task Team) 	<ul style="list-style-type: none"> Agriculture and Agri-processing in line with Farmer Production Support Unit (FPSU) – AgriPark Concept Cross-boundary opportunities especially in light with strategic objective wrt Metro Status, 2021
uMDM District Development Agency	<ul style="list-style-type: none"> All sectors 	<ul style="list-style-type: none"> Presentation of Catalytic Projects and the development agenda of the Municipality with emphasis on basic service delivery (water and sanitation)
Richmond Agricultural Society	<ul style="list-style-type: none"> Agriculture, Manufacturing and processing 	<ul style="list-style-type: none"> Participation in FPSU Opportunities in processing and manufacturing Alternative market availability
SAPPI	<ul style="list-style-type: none"> Timber and manufacturing 	<ul style="list-style-type: none"> Opportunities for community timber plantations Manufacturing as a stimulus to grow the economy Logistics cooperatives

STAKEHOLDER/S	SECTOR	RATIONALE / INPUT
Informal Economy	<ul style="list-style-type: none"> Agriculture, Business Enterprise 	<ul style="list-style-type: none"> Support to Informal Economy Infrastructure requirements Organisation of Local Informal Economy Chamber and representation at District Informal Economy Chamber Training requirements
Cooperatives	<ul style="list-style-type: none"> All Sectors 	<ul style="list-style-type: none"> Opportunities available through catalytic projects and agriculture Market availability Off-take agreements

		<ul style="list-style-type: none"> • Provision of Business Service Centre by Municipality • Training requirements • Facilitate access to funding
SMME's	<ul style="list-style-type: none"> • All Sectors 	<ul style="list-style-type: none"> • Provision of Business Service Centre by RLM (registration on CIPC, CSD, SARS compliance, etc) • Registration with CIDB as a means of accessing sub-contracting through implementation of capital projects • Training requirements • Facilitate access to funding
Formal Economy(Business) – existing and identified for relocation	<ul style="list-style-type: none"> • All Sectors 	<ul style="list-style-type: none"> • Opportunities and access to funding • Partnerships with government to strengthen economy and attract investment
Community at large (Mayoral Imbizo)	<ul style="list-style-type: none"> • All Sectors • Work and Job opportunities 	<ul style="list-style-type: none"> • Implementation of EPWP and CWP as catalysts for access to work opportunities • Agricultural support • Implementation of outcomes of OSS interventions

11.3 POLICY / REGULATORY ENVIRONMENT

As a sphere of government, the Municipality takes its lead from all the overarching government imperatives and is mandated to ensure that it stimulates a regulatory environment that ensures compliance whilst simultaneously allowing for the promotion of economic activity, especially within the local economy.

The following policies – specific to the activities of the LED Unit have been developed and adopted and are reviewed dependant on need and as the environment so determines:

POLICY	PURPOSE / OBJECTIVES
Business Licensing Policy	Responsive to the Business Act, 1991 (71 of 1991) – regulation of the operation of businesses
Informal Economy Policy	Responsive of the development agenda of the informal economy and is crafted in line with the Provincial Informal Economy Strategy
Allocations Policy	Guides the allocation of Informal Economy Trading Stalls, SMME Units, trading areas and provides for the reduced rental of facilities so as to allow for the growth of emerging business
Expanded Public Works Programme – in compliance with principles of PHASE 3 of EPWP	Ensure effective and efficient coordination of the programme at all levels within organisation to maximise the work opportunities created thereby realising Governments objective in alleviating poverty

POLICY	PURPOSE / OBJECTIVES
Expanded Public Works Programme - Participant Identification Policy – in line with EPWP PHASE 3	Determine the process for the selection of participants in line with the needs determined in approved Project List and providing for a process that is transparent and fair. The recruitment of unemployed, indigent persons receiving priority.
Investment Incentive and Retention Policy	Development of strategies and an action plan for investment attraction and retention and a guide for financial and non-financial incentives.

11.4 ECONOMIC OVERVIEW AND RESPONSE TO ECONOMIC DRIVERS (SECTORS)

11.4.1 Local GDP

The figure below shows that agriculture (forestry and fishing) and manufacture are the top sectors that contribute to the GDP of Richmond with 29.3% and 17.3% respectively. Transport (storage and communications), general government services, finance (insurance, real estate and business services) and wholesale trade are the second largest sectors that contribute to the GDP.

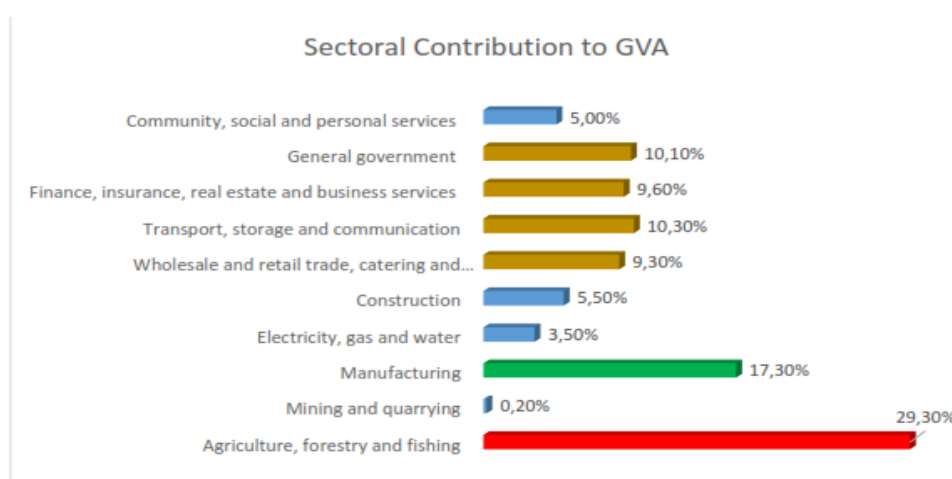


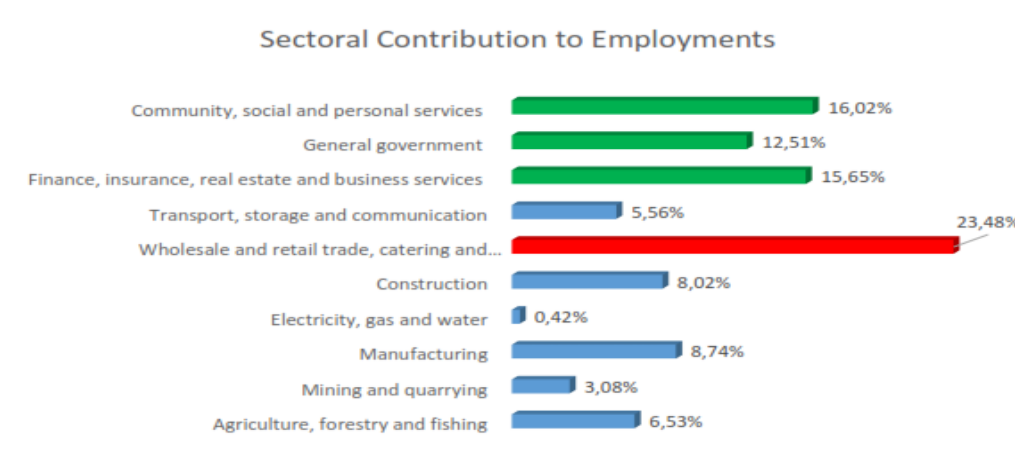
Figure 6. Sectoral Contribution to GVA

Source: Quantec 2016

11.4.2 Employment

The figure below presents that formal employment of the population of Richmond is concentrated in the wholesale and retail trade sector which provides 23.4% of the Municipal jobs. Other key sectors that provide jobs in the Municipality include community, social and personal services; finance, insurance, real estate and business services; as well as the general government services. This economic imbalance denies people access to job opportunities and rural migration is an immediate result. In order to survive, people may decide to move to other areas such as Pietermaritzburg and Durban in search of jobs and money.

Figure 7.sectoral contribution to Employments



Source: Quantec 2016

11.4.3 AGRICULTURE

Richmond is spatially located along a secondary agricultural corridor which serves areas of high poverty levels with good economic development potential. It forms part of the Greater Pietermaritzburg Economic Region. Is primarily a monocultural agricultural community, crop cultivation, poultry farming, citrus production, sugar cane farming and dairy and beef are the main primary agricultural operations which also present opportunities for agri-processing and beneficiation along the entire value chain.

Commercial farming has a significant impact on the economy with subsistence farming occurring in most of the peri-urban and rural/tribal settlements in the form of cattle, vegetables, grain, fruit, soya beans, other livestock, etc.

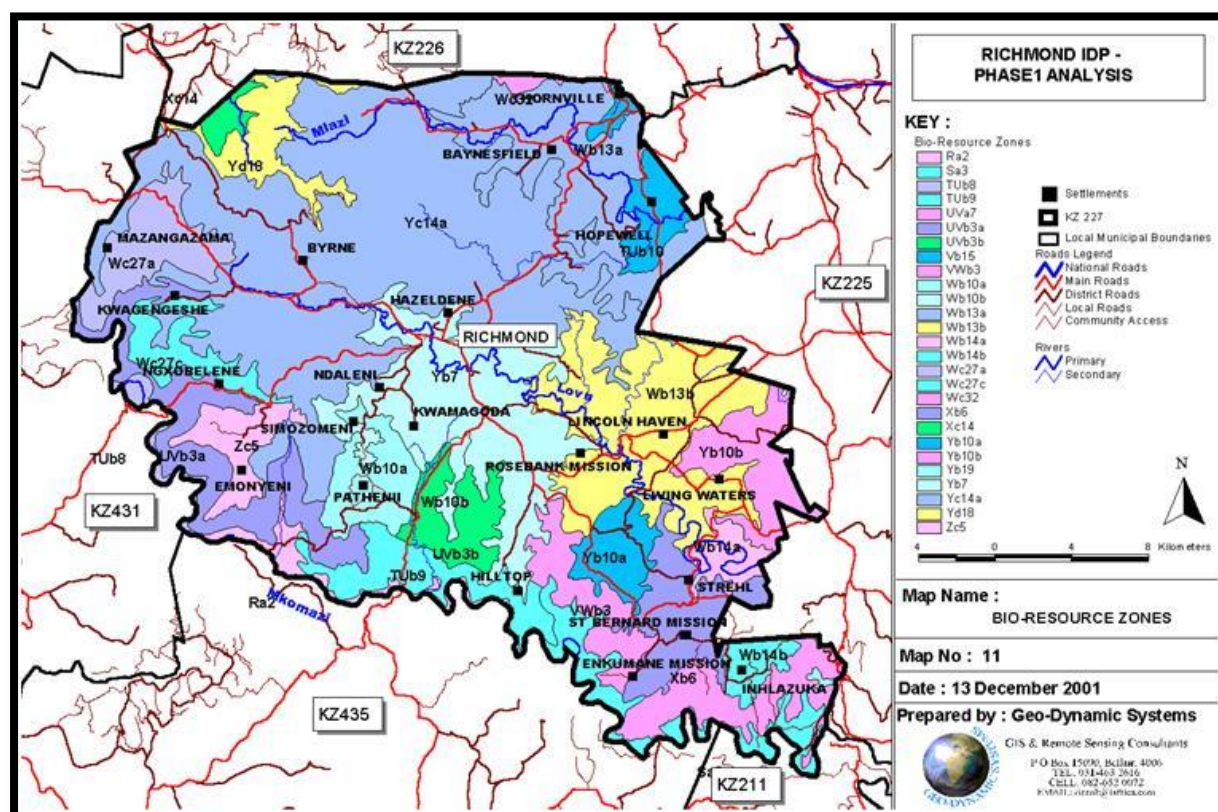
Agriculture is inextricably linked to land and access to land. Land reform programmes are seen as providing an opportunity for the inclusion of previously disadvantaged groups in agriculture and therefore the opportunity for local economic development and job creation.

The following provides existing challenges facing agriculture and the mitigating strategies engaged by the Municipality:

Challenge	Mitigating Strategy
High cost of hiring skilled agricultural labour	Through implementation of CWP and EPWP the Municipality is providing for participant to assist. Training is being afforded to unskilled community members. The eventual intention is to partner with existing industry to meet part of the labour cost.
Limited access to funding especially for small scale / emerging farmers	The LED Unit currently serves as a Business Service Centre and assists in the formulation, screening and submission of Business Plans for emerging enterprise. The implementation of the Farmer Production Support Unit will alleviate challenges in respect to the manner and opportunities available.
Limited value adding	Processing will be addressed through partnerships with existing

industry and in line with the establishment of the FPSU – processing, market intelligence, etc will be addressed.

Map 11. Key Agricultural Activities



11.4.3.1 AGRIPARK CONCEPT – RICHMOND FARMER PRODUCTION SUPPORT UNIT (FPSU)

One of the government's main priorities are to eradicate poverty and although government has enrolled several programmes, none of them had the success rate that was expected. This is due to weak coordination and packages that did not integrate with local priorities.

The Agri-Park concept can be perceived as an integrated approach of both collective farming efforts and farmer incubation programmes, while contributing to land conservation and preservation. The initiative can be described as a similar model as that of a traditional agricultural business park or hub, where several owners and tenants with a range of enterprises are under one management structure. An essential part of the Agri-Park model is the social mobilisation component, to actively support the small holder farmers and Agri-business entrepreneurs. The model would also strengthen partnerships between government spheres, the private sector and civil society.

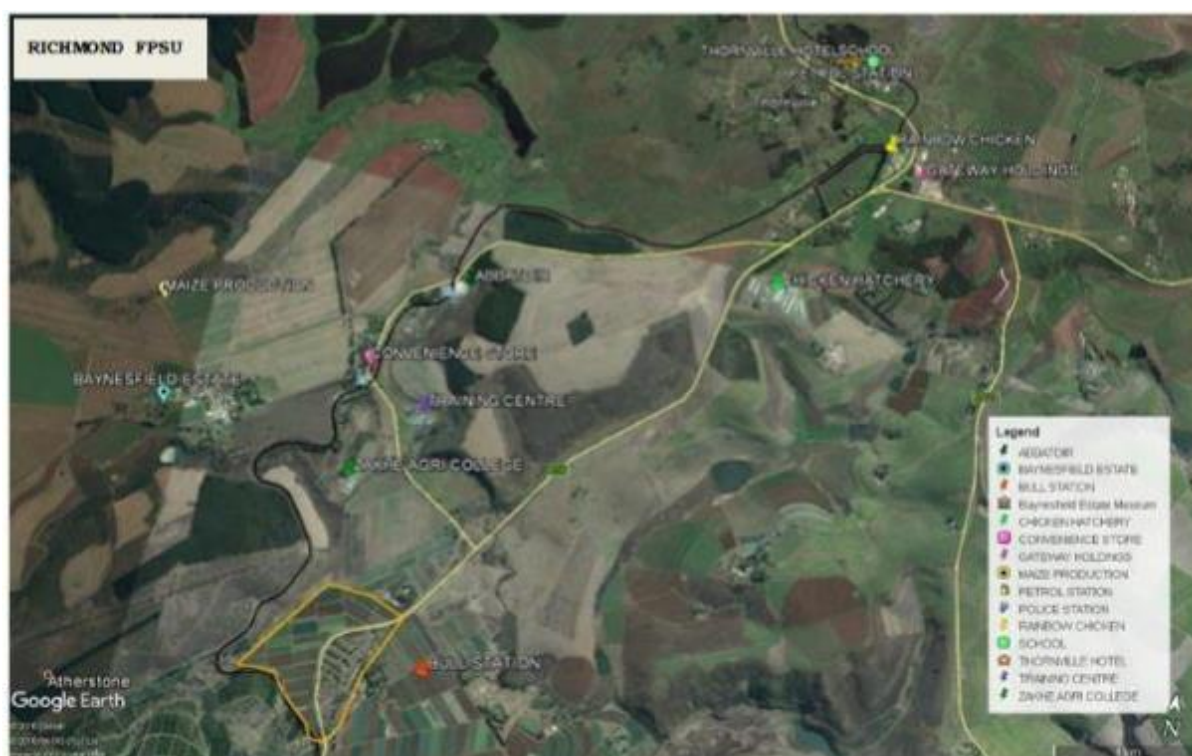
The Agri-Park programme forms part of the 2011 Green Paper on Land Reform, which lead to the review of all land reform policies undertaken by the Government and which approach will include several services such as educating producers, supplying the required inputs to produce on a larger scale and will also result in several employment opportunities. In

addition, inactive producers will have the opportunity to start producing once more due to several inputs that can be acquired, while state land will also be brought into use for both production and processing.

The Agri-Parks Project seeks to achieve a rural economic development through an all-inclusive approach to development by developing agricultural value chains that are linked nationally. The project will also be able to address issues of employment, skills development, and productivity of land.

11.4.3.1.1 Richmond FARMER PRODUCTION SUPPORT CENTRE (FPSU)

It is important to note that in regard to Richmond FPSU the model differs slightly from the general or most – in the Richmond instance, the FPSU is not a specific site but is rather a geographic area as presented in the map below.



Map 14. Richmond FPSU

The stimulus of the Richmond model is to build on which is already in existence so as to sustain operations, expand activities to create work opportunities and increase agricultural potential with the aim of attracting investment and growth into the area thereby increasing work opportunities in line with the services sector of the economy.

Key stakeholders in existence that motivated the choice of Atherstone site include the following:

TRUFRUIT JUICE MANUFACTURERS : Located directly across the R56, TruFruit Manufacturers manufacture, package and distribute juice for various brands which is responsible for sourcing raw materials. At present, raw materials are not sourced locally; however, the opportunity exists to create a market to supply the raw materials to TruFruit.

BAYNESFIELD ESTATE: Approximately 5kms from Atherstone site, Baynesfield Estate has a large agricultural concern operated by the company, Joseph Baynes Estate (Pty) Ltd. The company employs over one hundred permanent employees and farms a large diversified operation of approximately 3,600ha. The Estate also employs a large number of seasonal workers during peak production harvest times.

Activities include: Avocados, Pigs, Beef Cattle, Cane and Grains (Maize and Soya Bean). A large portion of the Estate is leased to NCT Farming for timber by the Timber Trust.

Baynesfield Estate, together with The South African Pork Producers Organisation (SAPPO) are the shareholders of the Baynesfield Training Academy which runs a 100-sow unit. This operation is used for the practical training of students wishing to improve their skills in piggery management and as such substantial investments in the upgrading of the existing piggery buildings has been made. The courses are aimed at emerging farmers. SAPPO has allocated funds for training subsidies to needy learners.

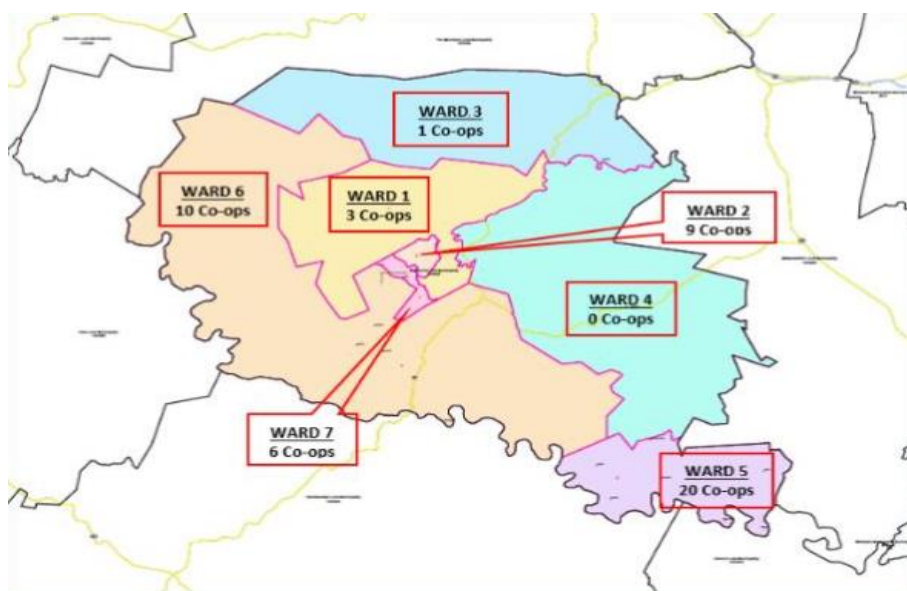
ZAKHE AGRICULTURAL COLLEGE: Zakhe Agricultural College is situated on Baynesfield Estate and is aimed at teaching young black farmers and agriculturists who, by the time they matriculate from the college, are equipped with the practical experience of having been exposed to agriculture from an early age and to ensure that properly trained black farmers would be ready to take up the challenge of agricultural land reform projects. The College assists in outreach programmes into the neighbouring communities and intends to expand its curricula to include girls.

GATEWAY HOLDING: Activities at the Gateway Holding include packaging of sub-tropical fruit mainly avocados, bananas, papaya and some citrus destined to supermarkets; canning factory: contract packs non-alcoholic beverages for leading brands and Includes, but not limited to – ice tea, tomato cocktail and energy drinks.

11.4.3.2 PROJECT / PROGRAMME INTEVENTIONS (Agriculture)

11.4.3.2.1 PROGRAMME 1 – INPUTS AND IMPLEMENTS TO COOPERATIVES (PHASE 1)

Following a RLM, DARD and DRDLR assessment of cooperatives in the Richmond area, 49 cooperatives have been targeted for immediate assistance and a presented spatially in the following map:



Map 15: Richmond co-operatives

11.4.3.2.2 PROGRAMME 2: CONCLUSION OF SERVICE LEVEL AGREEMENT: UMDM/RLM/UKZN (PMB) STRATEGIC SUPPORT TO LAND CLAIM BENEFICIARIES

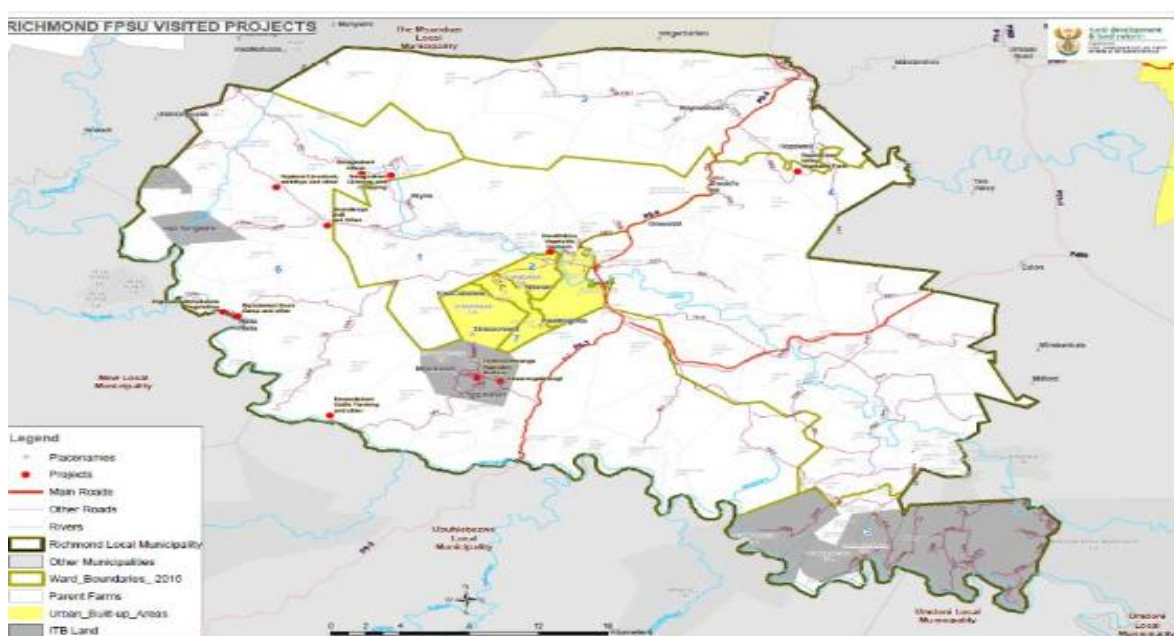
Following engagements with UKZN through the implementation of the Umgeni Resilience Project (collaboration with SANBI), uKZN and RLM have engaged with UKZN Foundation, Chief Resercher, School of Agriculture, Earth and Environmental Sciences – Water Use, Crop Modelling and Climate Change Adaption and due to challenges faced the Agreement will be concluded in the next financial year.

Table 21. presents a synopsis of activities responsive:

Parties to Agreement	uMgungundlovu District Municipality, Richmond Municipality and University of KZN Foundation, School of Agricultural, Earch and Environmental
----------------------	--

	Sciences, Water Use. Crop Modelling and Climate Change Adaption.
Objectives	<ul style="list-style-type: none"> Establish and launch sustainable rural development programme through the existing restitution farms located in Richmond found to have potential for vegetable and livestock production; Support agricultural production in Impendle Municipality and other local municipalities in uMDM so as to provide the impetus for the AgriPark Introduce bio-diversity in horticulture, eliminate alien plants to expand land for vegetable production, sustainably increase yields and assist farmers to adapt to climate change.; and Provide practical training for farmers and transfer of knowledge and skills required to sustain the increased yields.
Funding Source	uMDM and RLM
Short term funding (2017/2018) –	R1, 940, 970.00
Medium to long term (17/22)	R136, 568, 250
Implementation incl M&E	The Five Year project implementation plan, deliverables and indicators is available on request as it also details the contractual obligations of the parties.

The following map presents the locality of the farms visited and verified to benefit from the above:



Map 21. Farms to benefit from FPSU

11.4.3.2.1 **PROGRAMME 3: SECTOR DEPARTMENT FUNDED PROJECTS**
(2017/2018 ONGOING)

Project						SECTOR DEPT
National Rural Youth Service Corps (Narysec) – intended to engage rural youth in community development work aimed at positively impacting on the future of development and sustainability of the rural areas and mean to address the level of rural youth unemployment						DRDLR
50/50 Project: Siyathuthuka – Ward 2: Richmond - 2 ha under vegetables, 2 ha irrigation - Status to date: irrigation 100% complete, mechanisation purchased, fencing completed 2017/2018 support: crop inputs and balance of irrigation						DARD
Food Security Projects throughout municipal jurisdiction						
Production Pack 1	Production Pack 2	Institutional Gardens	Fruit Trees	Indigineous Chickens	Mushrooms	
100	25	4	37	5	1	DARD
Smozomeni Farmers Association (support to 50 members of Association): Smozomeni Farmers Association, Phemba Impilo Coop, Mjakada General Enterprise, Vukuzenzele, Silwanendlala Coop: currently holding a membership of 50 verified members - 139 ha of vegetables and crops will be produced Objectives of the project: Produce good quality vegetables and perennial crops for both local and national markets, Produce good quality grain crops for potential market, Establish a well organised farmer cooperative for the local municipality, Integrate co-operatives and individual farmers to trade under one entity which make things easier as new entrants.						DRDLR

11.4.4 TIMBER/LAND

The municipal area also consists of significant forestry plantations which in part are owned by the private medium scale farmer, corporate organisations, community based and the Municipality owning approximately 458ha. Forestry provides economic opportunities for value adding industries such as furniture manufacturing, doors.

11.4.4.1 PROJECT / PROGRAMME INTERVENTIONS (Timber/Manufacturing/Value Add)

11.4.4.1.1 **PROGRAMME 1: PARTNERSHIP WITH TIMBER OWNERS**

Project	Stakeholders	Intention
Wood and Wood Products	SAPPI, MONDI, NCT, Communal Land Owners, Private Land Owners	Increase availability of wood supply for manufacturing with the intention of supplying housing projects and other capital projects
Business Enterprise		Increase accessibility of Black owned SMME's to access work opportunities through felling, silviculture, harvesting, logistics. Currently the municipality is in a process of looking for a

		local SMME to manage municipal plantation as means of giving opportunities to locals. The new management company will be in effect from 01 July 2018.
Establish a Multi-stakeholder Forum (to coordinate land related programmes)	Association for Rural Advancement, Community Development Workers, Dept. of labour, Farmers Association	Develop Database of Land Owners Access funding through AFRA especially for farm dwellers/ farm workers Improve research on farm dwellers and initiate Land Rights and policy research programmes

11.4.5 INFORMAL ECONOMY

The existing **Informal Economy Policy** contextualises the Municipality's obligations to assist the Informal Economy by the provision of mentoring and incubation as a means to strengthen their capacity to survive a volatile economy. The following presents Councils approach:

- **Economic Principles:**

- Linking the development and growth of trading areas to commercial zones in order to create viably active businesses that are mutually beneficial to informal and formal economy
- Provision of access to funding, business plan formulation, skills development and capacity building
- Provision to reasonably costed SMME / Informal Economy Units within the central business district thereby addressing accessibility and visibility to passing trade, tourists and general public

- **Social Principles:**

- Promotion of equity by targeting government funding to the poorer parts of CBD and wholistically
- Applying public and private investment as a means to redress spatial inequity
- Provision of infrastructure as an opportunity to improve general environmental conditions
- Provision of basic services such as water, refuse collection, sanitation, etc

- **Spatial Principles:**

Developing areas that have the most significant impact on the largest number of people

Provision of suitable trading areas

Provision of infrastructure dependent on demand

- **Good Governance Principles:**

In line with the term of office of Council, Local Informal Economy Chambers (LIEC) are established to represent the entire municipal jurisdiction and include representation from street trading; transport; mobile trading; special events; car washers; hairdressers; Traditional Healers; Livestock trading; roadside motor mechanics.

The Chairperson of the LIEC together with an official from the LED Unit represent the Municipality and the interests of its informal economy at the District Informal Economy Chamber. Richmond currently co-chairs the DIEC with the IE of Umngeni Municipality. In-turn, DIEC elects a representative to the Provincial Informal Economy Chamber to represent and address DIEC issues at a Provincial level – uMDM is represented by Richmond.

- **Conducive Regulatory Environment:**

Notwithstanding the fact that Informal Economy Bylaws have been promulgated the Municipality, the Local Economic Development Unit together with the Protection Services Department (enforcement of Bylaws) constantly attempts to ensure compliance with Bylaws without being too stringent. The municipality has designated areas for street trading, permits are issued and renewed on annual basis. However there are challenges with law enforcement, as some street vendors are not willing to comply with street trading bylaws and not willing to trade in these designated trading areas.

11.4.5.1 PROJECT / PROGRAMME INTERVENTIONS

11.4.5.1.1 PROGRAMME 1: ACCESS TO INFRASTRUCTURE NEEDS

Financial Year	Details	Budget / Expenditure	Status
2016/2017	Provision of Informal Economy Trader Stalls	R100, 000.00 (RLM CAPEX)	Procured, to be installed in accordance with the Trader Layout Plan as endorsed by LIEC
2017/2018		R100, 000.00 (RLM CAPEX to be considered at Adjustment Budget – Business Plan submitted to DSBD for funding)	Beneficiaries has undertaken training which was provided by SEDA on two occasions and submitted quotations to SEDA and DSBD. To be procured in line with predetermined specifications.

11.4.5.1.2 PROGRAMME 2: SKILLS DEVELOPMENT AND CAPACITY BUILDING

Financial Year	Details	Budget / Expenditure	Modules	Status
2016/2017	Basic Financial Management	Nil (partnership with ABSA Bank)	Basic bookkeeping	Training complete
	IMEDP_Phase 1	Nil (partnership with DSBD)	Financial Management, Purchasing, Bookkeeping and Entrepreneurship	Training complete
2017/2018	IMEDP_Phase 2			

11.4.5.1.3 PROGRAMME 3: ACCESS TO FINANCE – PARTNERSHIP WITH DEPARTMENT OF SMALL BUSINESS AND DEVELOPMENT (DSBD)

The following table presents the details of Business Plans submitted in conjunction with Informal Economy actors to Department of Small Business Development for assets to assist in strengthening their business operations:

FY	Name of Business		Establishment Type	Requirements identified	Status
15/ 16	Walter Majozi	M	Traditional Healer	Laptop	Rec'd
	Nelly Shezi	F	Street Trader	Tent, Tables, cooking utensils	
2016/2017-2018/2019	Videographer / Photographer	M	Street Trader (Retail / Trade)	Photo printer and camera	Awaited response from Small Business Development Agency in partnership with The Department of Small Businesses, however all
	Siza Valley Rabbits	M	Home Based Business (Agriculture)	Rabbit cages	
	Intwasahlobo Trading	M	Street Trader (Retail / Trade)	Incubator for chickens	
	Infezi Cobra Pest Control	M	Home Based Business (Service)	2X Spray for fumigation, (20lt-25lt), Steadfast chemical (1lt x 4)	
	Mansizwa Legacy Trading Enterprise	F	Home Based Business (Construction)	Construction material, plates, cutlery and crockery	
	Thandabantu Hair Salon	M	Spaza / SMME Unit	Hairdryer x2, Chairs x5, Thong stove x1, Hair wash basin/sink x1, Mirrors x3	
	Tholisile Mntungwa	F	Home Based Business (Manufacturing)	Sewing Machine x1, Sewing Cloths	
	Sipho Household Furniture	M		Compressor (100 lt), Table saw-1000mm, Jawsaw and Wood sander-Medium	
	Lakenis Trading and Catering	F	Spaza / SMME Unit (Retail)	Gas stove, deepfreezer, pots x4, Chip making machine	
	X Organics Trading	M	Spaza / SMME Unit (manufacturing)	Base (aquas cream), Essential oil-Lavender oil and tea tree	

	Enterprise			oil	
	Hand of Hope	M	Home Based Business (manufacturing)	Sewing Machine-Heavy duty machine x4	
	Sindanqayi Co-op	F	Informal Trader from Landfill Site(Recycling)	Compressor and a scale	
	Jabulani Ngcongco	M	Informal Trader (Fast Food)	Table and chairs, Fried Chip Machine, 4 x plate stove and fridge	
	May Nkabinde	F	Spaza / SMME Unit (Fast Food)	Fridge, Fridge machine, 4 plate stove, and microwave	
	Gertrude Heslop	F		Oven, Fried Machine, cutlery, gas	
	Xolisile Zuma	F	Spaza / SMME Unit (Sewing)	Sewing Machine, scissors, sewing pins, needle, oil sewing, overlocker thread	
	Sindy Mgedezi	F	Spaza / SMME Unit (Fast Food)	Fridge, Gas stove, food warmer	

FY	Name of Business		Establishment Type	Requirements identified	Status
	Qaphelephi Jili	F	Spaza / SMME Unit (sewing)	Sewing Machine, scissors, sewing pins, needle, oil sewing, overlocker thread	
	Nokuthula Mbeje	F		Fridge, microwave, gas stove, fried chip machine	
	Zama Mtolo	F		Fridge and Fried Chip Machine	

11.4.6 SMME's (Small, Medium and Micro Enterprise)

The small business sector plays a crucial role in the national economy with SMME's being considered as one of the major sources for employment creation and community growth. As identified in National Small Business Act, No. 102 of 1996, "small business" means a separate and distinct business entity, including cooperative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub-sector of the economy and which can be classified as a micro-, a very small, a small or a medium enterprise.

The SMME sector in the Richmond Municipality includes wholesalers and retail traders with the majority of businesses concentrated in the town of Richmond as a result of the strategic location of town at the intersection of a number of main roads.

The LED Unit has an SMME database that is updated monthly , since the LED Unit staff is skilled to assist SMMEs with company and cooperatives registration, this also assist with the needs identification of SMMEs because once the entity has fully registered LED Unit undertake skills and need audit to all registered entities for the quarter. Thus providing necessary trainings and link SMMEs with other departments for funding.

The following are listed as the challenges facing SMME's which have been encapsulated, for response in various policy documents. A summary is presented hereunder:

Challenge	Mitigating Strategy
Access to finance	Provided for through partnerships with ABSA, Imaan Consulting, SEDA, Department of Small Business and Development, NYDA, DTI, etc
Clean the town and make it look attractive	Addressed through the implementation of the Expanded Public Works Programme and Community Works Programme – Programmes include: Street Cleansing and Beautification,
Access to skills	Partnerships exist with ABSA and Imaan Consulting to provide FREE business and financial management training programmes
Motivate and encourage the community to buy local	The expected development of the Small Business Incubation Centre will further address short falls experienced by this sector.
Easier access to business license	Business Licensing Policy provides for 21day turn-around time from the receipt of a fully completed application form with reminders distributed before the end of December each year
Lower rental fees for business premises	Addressed through the Municipality's Informal Economy Allocations Policy
Provide spaces and parking	

11.4.6.1 PROJECT / PROGRAMME INTERVENTIONS

11.4.6.1.1 **PROGRAMME 1: SUBCONTRACTING OF LOCAL CONTRACTORS THROUGH IMPLEMENTATION OF CAPITAL PROJECTS**

Through the implementation of Capital Projects funded by the Municipality, the following Conditions of Tender are mandatory:

Condition of Tender	Expected Outcome
The conditions of tender (2017/2018) currently provide for 30% of actual work to be subcontracted to local contractors. This is done	To allow for the strengthening of the company in terms of experience and to allow for an increase in the CIDB Rating. Provide for an increase in work opportunities to be

through subcontracting SMME database which is separate from the municipal database and is developed through the LED Unit.	created. i.e. apart from unskilled labour engaged by main contractor, the sub-contracted is also expected to engage locally unemployed persons to implement sub-contract.
Procurement of materials, tools and equipment	Dependent on economies of scale, all materials, tools and equipment is to be sourced locally. The Municipality also applies concessions to allow for credit facilities to allow for local procurement.
Plant and Equipment	Dependent on value for money, all plant and equipment not owned by main contractor must be sourced locally

11.4.6.1.2 PROGRAMME 2: PARTNERSHIPS WITH EXISTING ENTERPRISE

Initiative	Expected Outcome
Partnerships between Existing and Emerging Enterprise	Skills and Capacity Building, Access to markets. Strengthen capacity of emerging business SPECIFIC PROJECT: Partnership with SAPPI and Sizabantu Small Growers Forestry Cooperative provided with access to 42ha of municipal plantation and currently receiving technical advise from SAPPI

12.3.6.1.3 PROGRAMME 3 : SKILLS DEVELOPMENT AND CAPACITY BUILDING

Fiancial Year	Details of Training	Budget/Expenditure	Modules	Status
2017/2018	E-Skills Colab Training, which was in phases. Phase 1 –ward 1,2,6 and 7 with 35 Participants and phase 2- Ward 5 with 25 participants. The training was targeting youth.	Nil (in partnership between KZN Eskills Colab, EDTEA and DUT).	Unit Standards from NC: EUC (Excel, Word, Access, PowerPoint etc) Start your own business	Training Complete

12.3.6.1.4 PRORAMME 4: MUNICIPAL INTERVENTIONS ON GREEN ECONOMY SECTOR

Financial Year	Initiative	Outcomes
2014/2015- 2015/2016	Recycling Project- Cooperative in recycling	Private black owned companies who already indicated their interest in recycling initiatives, the municipality assisted those individuals to formalise their businesses through LED UNIT by successfully registering three cooperatives in ward 1, 2 and 7 at no cost.
2016/2017		Applied for funding through DSBD for compressor and a scale to measure their recycled products. The municipality also has recycling bins (paper) which are collected weekly by the cooperative to assist them in maximising their activity.
2017/2018		The municipality is awaiting response from the Department and has also budgeted for recycling projects to encourage more youth, women and people living with disabilities to actively participate in such programme.

11.4.7 Tourism

Richmond has the potential to become the destination of choice for tourists to KwaZulu-Natal and South Africa, especially for those tourists who desire the country ambience. The warm temperatures, summer rainfall, scenic beauty and environmental significance of the area make the climate excellent for tourism in Richmond Municipality. The area is sometimes described as the Drakensberg escarpment containing a number of scenic attractions and unique experiences that require establishment and aggressive marketing. Apart from agriculture and other development initiatives, tourism can also play a pivotal role in the advancement of communities.

11.4.7.1 PROJECTS / PROGRAMME INTERVENTION

11.4.7.1.1 PROGRAMME 1: ACCOMMODATION BROCHURE

Activity	Expected Outcome	Cost Implication
Development and distribution of a Tourism Brochure (see Richmond)	Serve as a marketing and advertisement tool for all accommodation facilities within the municipal jurisdiction.	The cost of the 4th Edition is borne entirely by the Municipality at a cost of R50, 000.00

	4 th Edition	
--	-------------------------	--

11.4.7.1.2 PROGRAMME 2: TOURISM AND PRODUCT BROCHURE

Activity	Development of TOURISM AND PROJECT BROCHURE
Cost Implication	2017/2018 FY: R60, 000.00
Expected Outcome:	<p>DEVELOPMENT OF PROJECT PACKAGES AS FOLLOWS:</p> <p><u>Adventure Tourism: Mountain biking:</u> Quad biking (Thornville), White Water River rafting, tubing and canoeing (Umkomaas River), Photography (throughout Richmond), Hiking and abseiling (Hela Hela), Fishing (throughout), 4x4 trails (Byrne); and Horseback riding (Baynesfield).</p> <p><u>Provincial and National Sporting destination:</u> Richmond is already home to the following Provincial and National activities and it is the intention to expand and promote the activities:</p> <ul style="list-style-type: none"> • Mud Man Challenge • Provincial and National Polo Crosse Championships • Off Road Racing (Cycling, Motor Bike and Motorised) • Provincial Cricket Championships <p>With the establishment of the Multi-Purpose Sports Complex (R15m) the intention is to also attract the hosting of the SALGA Games on a District Level</p> <p><u>Avi-Tourism:</u> There exists the potential to develop this type of activity given that the endangered Blue Swallow exists in the area and in addition, Highover Nature Reserve is a national nature reserve with endangered species to be enjoyed.</p>
Expected Outcome:	<p>DEVELOPMENT OF PROJECT PACKAGES AS FOLLOWS (continued)</p> <p><u>Agri-Tourism:</u> This type of activity describes the act of visiting a working farm or any agricultural, horticultural or agribusiness operation to enjoy, be educated or be involved in activities. Examples include farm tours for families and schoolchildren, day camps, hands-on chores, selfharvesting of produce, hay or sleigh rides, and overnight stays in a bed and breakfast. Richmond actively responds to these types of activities ue to the existence of timber plantations, dairy farms, crop farms and sugar plantations can provide a basis for Agri-tourism.</p> <p>The following will be suggested in this regard:</p> <ul style="list-style-type: none"> • Mobilise farmers in support of the tourism industry, especially to make them aware of the potential of Agri-tourism; • Identification and support of Agri-tourism projects, for

	instance visiting local dairies or plantations; <ul style="list-style-type: none"> • Packaging educational tours to some of these operations for different groups, e.g. school groups, tour groups, individuals etc in partnership with Roselands Adventure centre
	Cultural Heritage Tourism: Richmond provides the following strengths that when packaged correctly will serve as a strong draw card: <ul style="list-style-type: none"> ✓ Blarney Cottage ✓ Carnarvon Masonic Lodge ✓ Bambata Rebellion Burial Site ✓ Herbert and Cecil J Rhodes cotton farm in Inhlavini Valley ✓ Byrne Village (cultural heritage) ✓ Richmond-Byrne and District Museum ✓ Joseph Baynes Museum (Baynesfield) ✓ Burial ground of King Shaka's Sangoma

11.4.7.1.3 **PROGRAMME 3: ESTABLISHMENT OF COMMUNITY TOURISM ORGANISATION**

Activity	Cost Implications	Expected Outcome
Re-Establishment of Community Tourism Organisation	None	-To drive tourism sector of Richmond -To have relationship with the municipality and for the municipality to address all tourism related challenges in a formal structure. -To access funding for tourism related projects to other stakeholders

11.4.8 Manufacturing

Manufacturing is among the major sectors in the Richmond economy and as per the agricultural sector, manufacturing in Richmond Municipality is polarised between highly developed manufacturing enterprises and subsistence manufacturers. Manufacturing in the form of timber processing is significant with big companies such as NCT Forest, Sappi and Mondi dominating the area. However, apart from the aforementioned large manufacturing companies, other manufacturing businesses of the small scale variety include among others the brick and block manufacturing.

Richmond has a number of local black economic empowerment (BEE) companies that manufacture bricks and blocks. These companies use the sand and water from the nearby river. The concrete is compacted into the moulds by hand-compaction to manufacture bricks and blocks. The targeted market is the building of government houses, as well as community and other type of building.

11.5 Local Economic development – Swot Analysis

Table 22.SWOT analysis

STRENGTHS	WEAKNESS
<ul style="list-style-type: none"> • Good climatic conditions support agriculture and tourism • Settled land claims allowing for the development of increased land area • Developed agricultural sector incl processing allows for increased employment opportunities • Main Road linkages linking Richmond to PMB, N3 Corridor, eThekweni and Ixopo as well as R624 to the South Coast 	<ul style="list-style-type: none"> • History of Richmond continues to provide economic disadvantage which should be capitalised on for tourism • Limited decent shelter and accommodation • High level of unemployment and low income levels limit buying power (circulation of economy) • Backlogs in basic service delivery including the provision of sports and recreational facilities to address social challenges • Environmentally sustainable agricultural practices, limited access to funding and skills shortages in the agricultural sector • ICT sector faced with network problems and difficulty of accessing electricity • Large proportion of Municipality is rural, with little social and physical infrastructure – many of the roads in the rural areas are in a poor condition and need to be upgraded
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Expansion of manufacturing sector due to large availability of primary agricultural products • Age distribution shows predominance of young people who if given access to skills development and capacity building will be capable of developing the area • Development of housing / human shelter needs to address high volume of “back-yard” living • Agricultural sector incl agri-processing provides opportunity to create employment and alleviate poverty. 	<ul style="list-style-type: none"> • The number of young people entering the labour market places a large burden to provide for long-term economically sustainable activities • Unstable water and electricity supply affects investor confidence and places strain on SMME’s, especially in the rural areas • Environmental degradation continues at alarming rates which, if left unattended, will affect agricultural potential and livestock management • Business and skills exodus needs to be

<ul style="list-style-type: none"> High Tourism potential 	<p>immediately addressed by implementing investor attraction</p> <ul style="list-style-type: none"> HIV/AIDS, crime and domestic violence are among the social threats. There is a perception that crime in Richmond is very high. HIV/AIDS rates are high and the impact of the epidemic on the economy is that it will result in the early deaths of young, skilled and semi-skilled workers resulting in increased operating and training costs as well as reduced overall productivity
--	---

11.5.1 STRATEGIC / CATALYTIC PROJECTS RESPONSIVE TO SWOT AND COMPARATIVE AND COMPETITIVE ADVANTAGE

The following table presents the **CATALYTIC PROJECTS** which will be championed for implementation. Further information is provided in the Local Growth and Development Strategy.

	PROPOSED PROJECT	SUB-PROJECTS	Expected WO's
CP 1	EXPANSION OF RICHMOND TOWN (NEW TOWN), increase access to and ensure development of Greater Indaleni	<p>CP 1.1: MIDDLE INCOME HOUSING: Provision of 190 affordable housing units (diff typologies) – responds to: “back yard living”, officials that travel daily, labour from Hintotex</p> <p>CP 1.2: RURAL/URBAN LINKAGES: Creating linkages between Richmond Town, Indaleni, Smozomeni, Magoda, etc; Link between Slahla Sportsfield and the existing Country Club and proposed Multi-Purpose Sports Complex to create a “sporting precinct”; Township / Rural development; Water Bottling Plant</p> <p>CP 1.3: SLUM CLEARANCE: Relocation of Bhongoza Informal Settlement from periphery of CBD</p> <p>CP 1.4: DEVELOPMENT OF RICHMOND COMMONAGE: Housing Estate (multi-dimensional – anticipated growth from Msunduzi and Camperdown); Petroport / Truck Stop; Retail Space; Proposed Light Industry; Private Hospital</p> <p>CP 1.5: ESTABLISHMENT OF SMALL BUSINESS INCUBATION CENTRE</p>	<p>50</p> <p>20</p> <p>20</p> <p>65</p> <p>10</p>
CP 2	THORNVILLE / BAYNESFIELD AND HOPEWELL INDUSTRIAL DEVELOPMENT	<p>CP2.1 FARMER PRODUCTION SUPPORT UNIT (FPSU) – responsive to AgriPark Concept: Actual Site: Atherstone Farm to serve as logistics hub for municipal wide operations and establishment of Agri-processing incl juicing plant (funded by ADA); Linkages - Baynesfield Estate – Maize Silo – yellow maize and existing abattoir, Gateway Holdings, privately owned chicken hatchery and Rainbow chickens, Tru-</p>	30

	T	Fruit – currently only bottling with establishment of agri-processing and juicing to feed Tru-Fruit, Katope – produce packaging CP 2.2: MANUFACTURING WOOD AND WOOD PRODUCTS: Expansion of Pine Window enterprise frame currently in existence onto Transnet owned land (29 properties in Thornville area); Tekwani Sawmill (serve forestry and also biomass)	10
		CP 2.3: BUSINESS ENTERPRISE: Petrol Station – rehabilitation and expansion; Thornville Hotel – assess to retain as current activity, convert to conference facility, training centre	10
CP 3	EXPANSION OF ESSENTIAL OIL	CP 3.1: PARTNERSHIP WITH BUSBY OILS NATAL: Partnership Agreements with Land Restitution / Reform beneficiaries – site clearance, planting of eucalyptus or smirrhia (oil, waste for biomass & wood products); Establishment of distillery	15
CP 4	RENEWABLE ENERGY / ENERGY EFFICIENCY	CP 4.1: RENEWABLE ENERGY / ENERGY EFFICIENCY: Solar Street Lighting (3000 streetlights – funded by EU); Solar Water Geysers (5000 households); Biomass (waste from existing production – sawdust, organic, forestry, etc) – waste to energy – intention is to generate sufficient energy and enter into partnership with Msunduzi for the supply and distribution	45
		CP 4.2: BUSINESS ENTERPRISE: Currently considering the establishment of a Solar Enterprise for putting together components, training of youth who will eventually be responsible for maintenance of solar panels	10
CP 5	R56 TOURISM ROUTE	CP 5.1 TOURISM Development of route from Midlands Meander to Eastern Cape – intention for Province to lead	10

11.5.2 JOB CREATION – EXPANDED PUBLIC WORKS PROGRAMME AND COMMUNITY WORKS PROGRAMME

11.5.2.1 EXPANDED PUBLIC WORKS PROGRAMME

In line with the municipal vision, the Richmond Municipality reviewed its Expanded Public Works Programme (EPWP) Policy to read: *“By 2021, the Richmond Municipality seeks to increase the number of work opportunities made available through the Expanded Public Works Programme (EPWP) in order to make available access to a basic living wage for unemployed communities”*,

To enable the Municipality to realise its contribution to the overall work opportunity target for government, the Municipality utilizes labour intensive activities in all municipal and grant funded projects and programmes. In addition, it ascribes to the principles of the Preferential Procurement Framework to be responsive thereto.

The following presents the Municipal EPWP Policy Objectives:

- a. To provide a framework within which the municipality and its departments implement the EPWP.
- b. To provide an enabling environment for the municipality to increase the implementation of EPWP, through the:
 - b1. Re-orientation of the line budget function; and
 - b2. Channeling a portion of its overall annual (municipal and grant funded) budget allocation and human resources towards the implementation of EPWP.
- c. To ensure effective coordination of the Programme at both political and administrative levels within the municipality.

11.5.2.1.1 TARGETS AND STATUS TO DATE:

To attain the 6million job opportunities as cited by government, the following targets have been provided to Richmond; the selection of participants is done by ward councillor through Sukuma Sakhe with indigenous list of vulnerable families who need assistance and also taking into consideration to give opportunities to youth, women and people living with disabilities, the status of achievement is also recorded:

Financial Year	Targeted Work opportunities (WO)	Achieved WO's	Targeted Full Time Equivalents (FTEs)	Achieved FTEs	Reasons for any deviation
2014/15	169	172	56	57	This was the first time that RLM participated in EPWP as a result of the initiative of the LED Unit through the office o f the MM
2015/16	193	230	65	66	Targets Achieved
2016/17	219	219	75	75	Targets Achieved
2017/18	259	231	88	93.1	W/O Not yet achieved, but FTE achieved.
2018/19	279	TBD	96	TBD	The realisation of WO's and FTE's is still to be determined
Total	1119	TBD	380	TBD	

11.5.2.1.2 STATUS OF EPWP POLICY AND SUBMISSION OF NON-FINANCIAL REPORTS IN COMPLIANCE WITH DoRA:

Status of EPWP in respect to Policy and Submission of Evaluation Reports (Non-Financial as a condition of DoRA)

REQUIREMENT	STATUS
Adoption - EPWP Policy responsive to Phase 3	Achieved
Adoption – EPWP Recruitment Policy	Achieved
Submission of ALL Financial and Non-Financial (Evaluation) Reports in compliance with DoRA for 2017/2018 Financial Year	Monthly Financial Reports – Achieved Quarterly Non-Financial Reports – Achieved
Submission of 1 st , 2 nd and 3 rd Evaluation Report in compliance with DoRA for 2017/2018 Financial Year	Monthly Financial Reports – Achieved 1 st Quarter – achieved 2 nd Quarter – achieved 3 rd Quarter – achieved 4 th Quarter – to be submitted before 10 July 2018

11.5.2.1.3 BUSINESS PLAN / PROJECT LIST SUBMISSION AND COMPLIANCE:

11.5.2.1.3.1 2016/2017 FINANCIAL YEAR:

Sector	Focal Area	Project / Programme	WOs	FTEs
Social Sector	Social Services	Hand of Hope Garegivers	4	3.34
Social Sector	Community Safety and Security	Scholar Patrol	13	9.04
Infrastructure Sector	Road and Stormwater System Development and Maintenance	Rural Road Maintenance Programme	4	3.34
Environment and Culture Sector	Other Economic and Social Infrastructure	Learnership Programme	20	19.13
	Sustainable Land Based Livelihood	Mentors – Community Gardens	4	3.34
	Parks and Beautification	Greening and Beautification (incl street cleansing)	22	13.39
	Tourism and Cultural Industries	Tour Guides – Development of Tourism Sector	4	3.34

11.5.2.1.3.2 2017/2018 FINANCIAL YEAR:

Sector	Focal Area	Project / Programme	WOs	FTEs
--------	------------	---------------------	-----	------

Environment and Culture Sector	Waste Management	Street Cleansing and Beautification	20	1.8
	Sustainable Land Based Livelihoods	Community Gardens for Sustainable Livelihoods	4	0.4
Social Sector	Social Services	Afterschool library assistance programme	3	0.21
	Community Safety and Security	Scholar Patrol – 2018 Academic Year	14	1.2
	Health	Hand of Hope – Care for Disabled Children	4	0.7
Infrastructure Sector	Road and Stormwater System Development	Rural Road Rehabilitation Programme	40	3.3
	Development and Maintenance of Buildings	Maintenance of Community Facilities (Halls and Sportsfield)	20	1.7

11.5.3 INVESTMENT ATTRACTION, BUSINESS EXPANSION AND RETENTION

In anticipated adoption of the uMgungundlovu Investment Promotion and Facilitation Strategy, the Municipality has extracted and formulated the following Strategic Framework responsive to the initiatives to be undertaken to enable the attraction of investment, expansion and retention of existing businesses as well as aftercare activities which is aligned to the performance plan of the incumbent:

Goal (Outcome)		Strategies (Output)		Projects (Activities)		Budget (Aligned to 2017/2018 RLM Budget)
1.	Develop capacity and promote coordination between supporting govt agencies and sector departments	1.1	Ensure skills capacity retention and HRD	1.1.1	Bi-Annual IP&F development workshop facilitated by uMDM and supported by RLM.	R10, 000.00 (LED Unit)
				1.1.2	Develop and implement a skills retention for employees in the LED and Planning units	R80, 000.00 (WSP and Staff Bursaries)
		1.2	Coordinate investment promotion and facilitation activities among all institutional roleplayers	1.2.1	3 x workshops with officials from LED, Planning and Portfolio Committee: Workshop 1: focus on identifying the reasons behind these regulatory bottlenecks; Workshop 2: focus on outlining investment process flow model Workshop 3: Unpacking application of the process flow model at the local level, including a comprehensive list of the roles and responsibilities	R45, 000.00 (LED Unit)

					of each staff member involved, the expected turnaround	
--	--	--	--	--	--	--

Goal (Outcome)		Strategies (Output)		Projects (Activities)		Budget (Aligned to 2017/2018 RLM Budget)
1.	Develop capacity and promote coordination between supporting govt agencies and sector departments	1.2	Coordinate investment promotion and facilitation activities among all institutional roleplayers	1.2.2	Undertake a due diligence analysis of strategic framework supporting the investment environment. i.e. all policies, plans and strategies related to investment promotion and facilitation, to address the underlying reasons for poor implementation of proposed projects. Based on analysis, must identify and address problem areas and take steps to fast track priority projects that have yet to be implemented.	None - part of day to day activities / functions
				1.2.3	Prioritise investment promotion and facilitation elements in LED and Planning.	
				1.2.4	Establish a special business enquiry point/contact person as the single point of contact for all matters pertaining to business development in LED Unit. Duties must include provision of information on the local regulatory environment, assistance in locating web-based information resources and linking business owners / managers with relevant government officials when required.	
2.	To promote the use of locally generated Knowledge	2.1	Improvement in the regulatory environment through proper investment monitoring	2.1.1	Develop an investment tracking system for that is accessible to all stakeholders (public and private), in partnership with TIKZN and continually collate all information relating to investment within the region (including type - FDI, domestic,	TBD

			and information sharing between RLM and private sector		public and value of new investment; location of investment; building plans submitted, passed and completed; major constraints raised).	
				2.1.2	Provision of up to date information on the regulatory environment	None - part of day to day activities / functions
				2.1.3	Identify opportunities in existing priority sectors and undertake identification of new investment opportunities	

Goal (Outcome)		Strategies (Output)		Projects (Activities)		Budget (Aligned to 2018/2019 RLM Budget)
3	To undertake Investment promotion and marketing of Richmond Municipality	3.1	Undertake marketing and image building	3.1.1	Compilation of a investment prospectus for reviewal and update bi-annually. Prospectus to include: key features of the locality; advantages of investment in specific sectors; already packaged investment opportunities; guidelines for funding applications; the investment process flow as well as contact details of key personnel.	R50, 000.00 (LED Unit)
				3.1.2	Host bi-annual business breakfast to facilitate collaboration between the public and private sector and promote future investmet	R60, 000.00 (HW the Mayor, MM and LED Unit)
4	To ensure targeted Infrastructure development, improved land access and more efficient spatial planning	4.1	Support the strategic release of land	4.1.1	To undertake a digital mapping exercise to show all land that has been identified and is available for investment. RLM, ITB and private land owners must assist in updating this information on an annual basis and this information must be made available to investors.	TBD – COGTA to be approached for funding
				4.1.2	Facilitate the fast tracking and zoning of priority land parcels (communal,	None - part of day to day

					private and public) that will facilitate the expansion of existing businesses / attract new investors in target sectors.	activities / functions
		4.2	Address current infrastructure and service needs.	4.2.1	Develop implementable strategies for maximizing revenue collection, reducing inefficiency and costs, and reducing uncollectible debt in municipalities	
				4.2.2	Identify critical public sector infrastructure blockages that require immediate attention and develop interventions to address blockages. Ensure that Capital Investment Framework is aligned to the IDP and budget	
5	To facilitate and promote investment in the key economic sectors.	5.1	Encourage Expansion and Diversification of Agricultural Sector	5.1.1	Package opportunities for expansion of timber, maize and vegetable Production in line with the Agri-Parks model.	None - part of day to day activities / functions – to be funded by DRDLR
				5.1.2	Develop mentorship programme where commercial (established farmers) can mentor emerging farmers as a means to addressing skills shortage in agriculture.	None - part of day to day activities / functions
		5.2	Ensure Investment into the Tourism Sector	5.2.1	Identify priority tourism attractions where supporting infrastructure is severely dilapidated and package opportunities for revitalisation with the support of EDTEA (e.g. Improved signage supporting Tourism – R56)	None - part of day to day activities / functions

Goal (Outcome)		Strategies (Output)		Projects (Activities)		Budget (Aligned to 2018/2019 RLM Budget)
5	To facilitate and	5.3	Ensure Investment into the	5.3.1	Identify and package potential investment opportunities in agroprocessing that align with the	None - part of day to day

			Manufacturing Sector		Agri-Park Master Business Plan and support the Districts designation as an agro-processing hub:	activities / functions
		5.4	Facilitate skills development in all target sectors	5.4.1	Develop an online employer 'Job Mart' for the District whereby employers can advertise the skills that they require in target sectors; The site must be accessible to jobseekers so that they can locate employers in relevant industries and must also provide a platform for jobseekers to advertise the qualifications, skills and experience that they offer to businesses.	TBD
6	To Facilitate the development, expansion and aftercare of existing businesses in the Richmond Municipality	6.1	Develop long-term, collaborative relationships with existing investors	6.1.1	Develop an annual Business Needs Survey that is extended to all private businesses and identify interventions that can be implemented to address these needs.	None - part of day to day activities / functions
				6.1.2	Establish an 'Anti-Crime Drive' in collaboration with the private sector individuals to form community policing forums in CBD areas and at tourism hot-spots that are prone to crime.	R60, 000.00 (LED Unit)
				6.1.3	Promote funding institutions through various channels such as Business Chambers, EDTEA and other SMME support agencies / forums	None - part of day to day activities / functions
				6.1.4	Develop and maintain a database of contact details for businesses	
				6.1.5	Revive the LED Forum	R25, 000.00
				6.1.6	The assigned 'single point of contact' staff member must also act as an investment support hot-line for direct communication, feedback, and voicing of complaints between the municipality and existing investors	None - part of day to day activities / functions
		6.2	Provide municipal support services	6.2.1	Partner with local enterprises to promote and support marketing of locally produced goods and services where it is within their	

					power to do so.	
--	--	--	--	--	-----------------	--

11.6 Social Development Analysis

11.6.1 Broad Based Community Needs

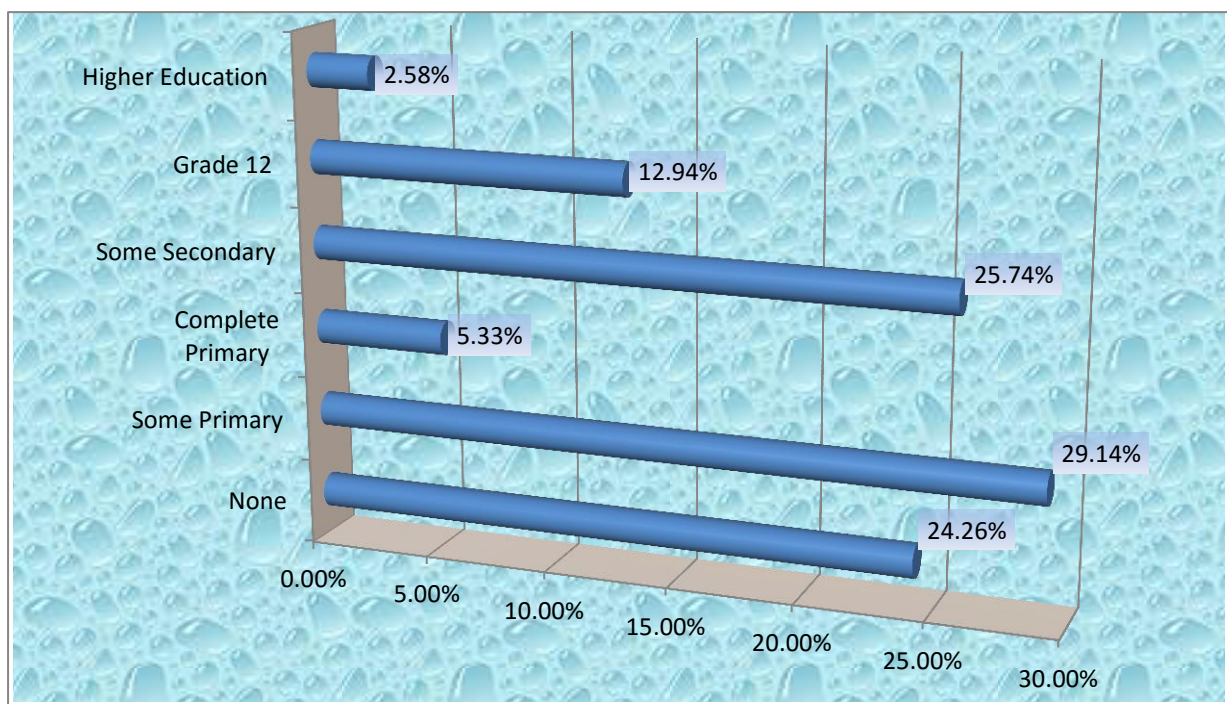
During the IDP izimbizos in each ward during November 2017 the community raised needs and a project wish list per ward was compiled. The needs were prioritised by the Councillors and the community as all projects cannot be implemented in one financial year. (Project list attached as annexure)

11.6.2 Education

Education levels have a major bearing on the quality of life. The inability of an individual to perform certain basic functions due to illiteracy is also part of elements that define human poverty. Low educational levels are likely to push individuals to unemployment and to low paying jobs. Low educational levels also limit the ability of an individual to learn new skills, to be trained and developed.

The Richmond Municipality has intervened on the poor matric pass rate in the area of Richmond. The Municipal Mayor has identified a matric programme to boost the percentage of the matric pass rate, he personally paid a visit to all the schools around in Richmond and assessed on how pupils are being taught and the conditions of the classes, material available and the capacity of staff available. Thereafter held a principals forum meeting in three different circuits (Mkhambathini, Richmond and Msunduzi Circuit) to find a way forward to further assist with future education of young pupil of Richmond.

Figure 7. Education Levels



Source: Stats SA: Census 2011

It is indicated that 60% of individuals ranging from no formal education to primary levels are dominant within the Richmond Municipality. Only 2.58% of individuals had higher education.

Specific issues relating to education to be addressed include:

- The quality of educational facilities
- Low literacy levels
- Lack of water, sanitation and the infrastructure of most schools is a health hazard to the pupils.
- The availability of resources to assist learners in their educational requirements and further the availability of facilities and information relative to bursaries, etc
- The inability of rural areas to attract high quality educators
- Limitations in regards to subjects offered at schools
- Inadequate coordination and targeted adult education and literacy programmes

11.6.3 Health

Health services in the Municipality are provided by the Provincial Department of Health. The following health facilities are found in the municipal area:

- Richmond Hospital
- Provincial clinics in Richmond, iNdaleni and eMbuthisweni
- Private clinic in Inkumane
- Six mobile clinic ports
- Private doctors and district surgeon

Health Facilities are not well distributed throughout the Municipal area, clinics are mainly located along main transport routes making access to these facilities relatively difficult to people residing in deep rural areas of the municipality.

11.6.3.1 Impact of HIV/AIDS

Further, it has been estimated that between the years 2000 and 2010 approximately seven million South Africans have died from HIV/AIDS related diseases. The number of deaths from HIV/AIDS will be considerably larger than that from any other single cause of death and will probably double the number of deaths from all other causes combined. It is indicated that UMgungundlovu District Municipality accounts for 23% of the KwaZulu Natal HIV/AIDS cases. Richmond Municipality has the highest number at of HIV positive people in the District as compared to other Municipalities within the District.

The likely effect of HIV/AIDS on **social systems**:

- **Poor households are more vulnerable and the epidemic is likely to deepen poverty and compromise upward mobility:**
- **Changing demand for housing, education and other community facilities:**
- **A greater demand for health care facilities: and**
- **A greater demand for financial support for orphans, child headed households and households run by grandparents**
- **A negative population growth rate, is affecting the sustainability of projects that are based on certain population projections**

The likely effect of HIV/AIDS on the **economic systems**:

- **A shift from savings to current expenditure, thus limiting fixed investment and economic growth**
- **Possibility of 'technological deepening' of the economy as a result of higher absenteeism rates:**

- **Further erosion of household savings and skills shortage, and increased spending on pharmaceuticals and funerals**

In light of the above, the agricultural sector will suffer most as it relies heavily on the availability of a physically active workforce.

Table 22. HIV/AIDS Statistics

	AIDS	HIV
KwaZulu-Natal	115,223	1,319,154
KZN - DC22 uMgungundlovu District Municipality	11,473	129,909
KZN227: Richmond Local Municipality	771	8,716

Source: GLOBAL STATISTICS 2008

The above HIV and AIDS graph shows the amount of people who are affected by HIV/AIDS from the Provincial level, District level and the Local level. Aids Council is in place and functional in Richmond Municipality.

11.6.4 Safety and Security

Richmond Municipality has a number of programmes aimed at promoting compliance with Road Safety Act.

Hereunder are the programmes;

Programme	Duration
• Masiphephe (Arrive Alive)	• Ongoing
• Operation Fiyela with SAPS(Random Road Blocks)	• Ongoing
• Public Awareness Campaign on Road Safety	• Festive Season

11.6.4.1 Community Policing Forum

The Municipality has functional Community Policing Forum. The Forum meets once a month. Stakeholders who are part of the forums are;

- **South African Police Services**
- **Municipal Traffic Police**
- **Non Governmental Organisations**
- **Ward Committee members**
- **Councillors**

The aim of the forum is to address crime within the Municipality.

11.6.5 Nation Building and Social Cohesion

Richmond Municipality has been involved in a number of cultural and sporting activities. The most critically event which the Municipality has participated since 1998 is SALGA Games. The games aspire to promote sound inter-Municipalities relationship and social cohesion between the Municipalities by using sport as a vehicle to forge sustainable partnership and further strengthen existing relations.

In addition to SALGA games the Municipality has a number of sport and recreation programmes including Art and Culture which aimed at promoting the sport. Hereunder are the programmes;

Sport and Recreation

Project	Purpose
Celebrating Mandela day tournament	The Department of Health together with the Municipality celebrated Mandela Day by having soccer and netball tournament
SALGA Games	The aim is to unearth hidden talent that exists in previous disadvantaged areas
Moyaral Cup	Unearth hidden talent at wards level

Arts and Culture

Project	Purpose
Facilitate Nomkhubulwane at Phatheni	To teach young girls on issues related to HIV/ AIDS
Facilitate Annual Reed Dance which was held at Nyokeni	It is to promote abstinence of young virgin girls from sexual activities which may lead to HIV/AIDS

11.6.6 Community Development with particular focus on Vulnerable Groups

11.6.6.1 Youth Development

Youth Development

The Analysis of the Economy, July 2011 together with recent census figures continues to give an indication that Youth occupy a large portion of the population of Richmond and steps should therefore be taken to ensure that youth needs are addressed.

On 10 March 2012, the Richmond Municipality launched the Municipal Youth Council whose objectives include creating a platform on and through which the youth can raise and discuss

matters which affect them and to also devise and propose solutions which will redress the challenges encountered.

The Council, with its slogan “Developing our Youth for a Sustainable Tomorrow” has identified 5 priority areas, namely:

- Local Economic Development and Opportunities
- Education and Training
- Arts and Culture
- Moral Regeneration
- Sports and Recreation

In each of the priority area listed above, the Municipality has committed to ensuring that it either directly addresses the issues or facilitates interventions through respective and responsible sector departments or agencies.

Examples of interventions include:

Basic Financial Management Training

Registration of Cooperatives

Municipal Youth Career and Life Skills Expo

Teenage Pregnancy and Anti-Drug Campaigns

LED Internship Programme

11.6.6.2 Development of the People with Disabilities

Development of the people with disability

Richmond Municipality has been putting more emphasis on supporting physically challenged people in sport.

Hereunder are some of the sport programmes supported by the Municipality;

Project	Purpose
7 Wheels Chair Race in Richmond Municipality	To unearth the talent of the disability people in sport
Mandela Race	To unearth sport talent
Disability Sport day at kwaDambuza	To encourage healthy lifestyle and promotion of sport to people with disability
Provincial Disability parliament	To encourage disability people to be

	involved in discussion on issues pertaining to service delivery
George Town Outenique Wheel Chair Race	The event was held in Cape Town. For disability people to compete with other Province in sport.

11.6.6.3 Development of the Elderly and Women

The Municipality does have programmes for elderly people. Hereunder are the programmes;

Project	Purpose
Golden Games	The programme is aimed at promoting active dignified ageing
Senior Citizen Parliament	To encourage elderly people to be involved in discussion on issues pertaining to service delivery
Launching in Club	To encourage elderly people to be involved in project. The municipality assisted them with handwork beads, wools and seeds

11.6.6.4 People affected by Crime, HIV/Aids, Drugs, etc.

People affected by HIV/AIDS

To deal with the scourge of HIV and AIDS, Richmond Municipality has established Local AIDS Council. On top of Local Aids Council, the Municipality has established Ward Aids Council.

There are programmes aimed at dealing with HIV and AIDS. Hereunder are some of the programmes;

PROJECT	PURPOSE
HIV and AIDS education in School	To educate the youth with issues related to HIV/ AIDS, how to live when infected or affected by HIV and AIDS
Traditional Healers workshop	The Municipality partner with the Mgungundlovu District regarding the training of Traditional Healers on issues pertaining to HIV / AIDS and TB

Phatheni Clinic : hosting opened day	Richmond Municipality partner with the Department of Health in respect of HIV & AIDS awareness campaign in ward 7
16 Days of Activism on No Violence against women and children	The campaign aimed at ensuring that there is no rape against women and children which result to the said vulnerable group being infected and affected by HIV & AIDS

DRUGS

Richmond Municipality together with the Department of Social Development have established the Richmond Local Drug Action Committee (LDAC) to fight the use of drugs in the community.

- The committee is formed by all relevant stakeholders and are working together to share resources in order to reduce and fight the use of drugs.
- On top of the LDAC, the Municipality has established the Ward Drugs Action Committees in all 7 wards.

CRIME

Richmond Municipality like all other Municipality is faced with a challenge of crime. There are however structures established to assist SAPS to fight crime such as;

- Community Policing Forum
- Crime Prevention Committees which have been established in WARD 1
- Safety Committees which have been established in all wards.

11.6.6.5 Early childhood development

Richmond Municipality together with Department of Social Development have number of programmes for early child development. There crèches and youth care centres throughout the Municipal area.

11.6.7 Social Development: SWOT Analysis

Table 23. Social Development Analysis : SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> • Full complement of Senior Management in the department. • Fully established and functional Supply Chain Management Committees • Satellite Libraries in Hopewell and Inhlazuka • The Availability of the Operation 	<ul style="list-style-type: none"> • Lack of available land for Housing Development (Hopewell) • Staff shortages at community facilities • Lack of adequate basic services • Non collection of traffic fines • Lack of signed lease agreements

<p>Sukhuma Sakhe Forum</p> <ul style="list-style-type: none"> • Increased Service Delivery to Learners Centre now operational 5days a week • Availability of Community Services Facilities (Community Halls, Sportsfields) • Availability of Disaster management plan • Availability of Housing Sector plan 	<p>iro Thusong Centre</p>
Opportunities	Threats
<ul style="list-style-type: none"> • Access to Sukuma Sakhe Committee for implementation of identified project and programmes • Execution of Warrant of Arrests to collect outstanding funds • Training and Capacity Building • Implementation of Cyber Cadet Programme 	<ul style="list-style-type: none"> • Teenage pregnancy, drug and substance abuse • Non payment of monies due by Department of Justice • Impact of HIV/Aids and chronic diseases (consumption of resources in terms of programmes and awareness campaigns) • Impact of HIV/AIDS • Delays in grant approval for housing projects

12 MUNICIPAL FINANCIAL VIABILITY & MANAGEMENT ANALYSIS

12.1 FINANCIAL VIABILITY AND MANAGEMENT ANALYSIS

12.1.1 Capability of the Municipality to Execute Capital Projects

The Richmond Municipality funds its capital projects from MIG and own revenue. PMU appointments have also been finalised. The municipality has appointed Consulting Engineering firms to assist with the Project Management for all capital projects.

CAPITAL FUNDING AND EXPENDITURE TO ADDRESS SERVICE DELIVERY

Actual Capital vs Budget Capital

<u>Financial Year</u>	<u>Budget</u>	<u>Actual Expenditure</u>	<u>Variance</u>
2013/2014 (audited)	33 415 800	21 139 519	12 276 281
2014/2015 (audited)	34 091 438	26 958 617	7 132 821
2015/2016 (audited)	47 645 817	33 034 530	14 611 287
2016/2017 (audited)	39 816 152	40 154 696	(338 544)

Capital Sources of Funding

<u>Financial Year</u>	<u>Own Revenue</u>	<u>Grant Funding</u>	<u>Public Contributions</u>	<u>Finance Lease</u>	<u>TOTAL</u>
2013/2014 (audited)	8 362 212	12 749 785	27 522	0	21 139 519
2014/2015 (audited)	2 356 889	24 010 167	349 254	242 307	26 958 617
2015/2016 (audited)	3 294 234	29 391 042	349 254	0	33 034 530
2016/2017 (audited)	8 340 710	31 803 709	10 276	0	40 154 696

The municipality has successfully applied to National Treasury for the rollover of unspent grants for the 2014/2015 and 2015/2016 and 2016/2017 financial years.

All grants for 2017/2018 will be spent by 30 June 2018.

12.1.2 Indigent Support (Including Free Basic Services)

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services households are required to

register in terms of the Municipality Indigent Policy. The municipality has in the 2014/2015 year undertaken to register all indigents and thereby create an updated indigent register. The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act. indigent policy attached.

Indigent support allocated from the equitable share

<u>Financial Year</u>	<u>Amount</u>
2014/2015	38 690 000
2015/2016	49 617 000
2016/2017	52 966 000
2017/2018	56 504 000
2018/2019	55 625 000

Free Basic Services : Refuse

<u>Financial Year</u>	<u>Amount</u>
2014/2015	750 000
2015/2016	200 000
2016/2017	3 153 665
2017/2018	825 000
2018/2019	3 249 142

Free Basic Electricity

<u>Financial Year</u>	<u>Amount</u>
2014/2015	600 000
2015/2016	500 000
2016/2017	550 000
2017/2018	900 000
2018/2019	900 000

12.1.3 Revenue Enhancement and Debt management

The Revenue Enhancement strategy was last updated in 2011. (Attached)

The municipality has sought assistance from COGTA to review and update the strategy in 2017/2018. To date the municipality has been experiencing challenges with the implementation of this strategy. Slow economic growth and high unemployment has not assisted in the collection of long outstanding debt.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, stock rotation, price protection, rebates and other similar allowances.

Revenue is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below, except when specifically stated otherwise. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Furthermore, services rendered are recognised by reference to the stage of completion of the transaction at the reporting date.

Revenue from Exchange Transactions refers to revenue that accrued to the municipality directly in return for services rendered /goods sold, the value of which approximates the consideration received or receivable.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

Interest earned on unutilised Conditional Grants is allocated directly to the Creditor: Unutilised Conditional Grants, if the grant conditions indicate that interest is payable to the funder.

Interest earned on the following investments is not recognised in the Statement of Financial Performance:

Revenue from Non-exchange Transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Service Charges are levied in terms of approved tariffs.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to all properties that have improvements. Tariffs are determined per category of property usage, and are levied based on the number of refuse collections on each property during the week.

Revenue from the rental of facilities and equipment is recognised on a *Straight-line Basis* over the term of the lease agreement.

Interest earned on investments is recognised in the Statement of Financial Performance on the *Time-proportionate Basis* that takes into account the effective yield on the investment.

Revenue for agency services is recognised on a monthly basis once the revenue collected on behalf of agents has been quantified. The revenue recognised is in terms of the agency agreement.

Revenue from the sale of goods is recognised when all the following conditions have been met: The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods; The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; The amount of revenue can be measured reliably; It is probable that the

economic benefits or service potential associated with the transaction will flow to the municipality; and Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Assets acquired from non-exchange transactions are measured at fair value in accordance with the Standards of GRAP.

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

An inflow of resources from a Non-exchange Transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a Non-exchange Transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable.

Penalty interest on unpaid rates is recognised on a *Time-proportionate Basis* with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

Fines constitute both spot fines and summonses. Revenue from the issuing of fines is recognised when it is probable that the economic benefits or service potential will flow to the municipality and the amount of the revenue can be measured reliably.

Revenue for fines is recognised when the fine is issued at the full amount of the receivable, considering the allowance in terms of IGRAP 1 to use estimates to determine the amount of revenue that the municipality is entitled to collect. Assessing and recognising impairment is an event that takes place subsequent to the initial recognition of revenue charged. The municipality assesses the probability of collecting revenue when accounts fall into arrears. Such an assessment is not be made at the time of initial recognition.

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised in the Statement of Financial Performance in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor and if it is the municipality's interest, it is recognised as interest earned in the Statement of Financial Performance.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Summary of Debt Outstanding Per Category

<u>Category</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Rates	6 709 687	8 654 560	10 881 694	13 163 200
Refuse	257 653	315 712	385 246	448 484
Miscellaneous / other	1 189 366	415 513	587 941	693 980
TOTAL	8 156 706	9 385 785	11 854 881	14 305 664
IMPAIRMENT PROVIDED	(4 637 518)	(5 779 183)	(5 855 919)	(7 624 878)

Summary of Receivables from Exchange transactions by customer classification

	<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Household	2 560 506	3 393 495	4 760 484	5 425 203
Industrial /Commercial	1 979 995	1 422 253	1 461 524	1 289 650

National and Provincial Government	1 302 988	1 736 238	2 270 539	3 194 114
Other	2 313 217	2 833 799	3 362 334	4 397 059
TOTAL	8 156 706	9 385 785	11 854 881	14 306 206

In determining the recoverability of Receivables, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Receivables has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

No provision has been made in respect of government debt as these amounts are considered to be fully recoverable.

C6.5 FINANCIAL MANAGEMENT

Supply chain management has been centralized and resides within the budget and treasury office.

The current structure is as follows:

Chief Financial Officer
 Manager: Financial Services
 Expenditure Accountant (1)
 SCM Practitioner (2)
 Financial Intern (1)

The municipality faces budget constraints in having a fully-fledged structure as envisaged by the legislation. The municipality also faces the challenge of retaining experienced staff.

Proposed Solution

Amending the SCM structure as and when funds become available. Payment of market related salaries.

Procurement Plan

A procurement plan is compiled during May of every year when the final budget is completed and approved by Council. The Chief Financial Officer reports monthly to MANCO on the implementation of the Procurement plan.

FUNCTIONING OF BID COMMITTEES

The Municipality has established the following bid committees:-

- Bid specification committee
- Bid evaluation committee
- Bid adjudication committee

Training and Development of the SCM Unit and Bid Committees

- Training has been provided to the bid committee members and Finance staff by the responsible national and provincial government department.
- Training is ongoing as and when courses are available

At the commencement of all the bid committee meeting, members complete the attendance register and declare and undertake the following:

- That all information, documentation and decisions regarding any matter before the committee are confidential and undertake not to make known anything known in this regard.
- To treat all service providers and potential service providers equitably and will not purposefully favour or prejudice anybody.
- To make known details of any private or business interest he or she or any close family member, partner or associate may have in any proposed procurement or disposal of, or in any award or contract that they will immediately withdraw from participating in any matter whatsoever.

A schedule of meetings is drawn at the beginning of every year for all Bid Committee.

DEVIATIONS

Regulation 36 of the Municipal SCM Regulations of 2005 permits the Accounting Officer to “dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process”. This would typically include urgent and emergency cases, single-source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the accounting officer is required to report this to the next Council meeting.

Section 114 of the MFMA permits the Accounting Officer to approve a tender “other than the one recommended through normal procurement processes”. The Accounting Officer is required to report such a deviation to the Auditor-General, the Provincial Treasury, and the National Treasury, stating the reasons that necessitated such a decision. If such expenditure is not defined as ‘unauthorized expenditure’ then it is ‘irregular expenditure’.

Deviations are reported monthly to MANCO and on a Quarterly basis to Council. All deviations are recorded on the Financial Statements of the year.

REPORTS ON UNAUTHORISED; IRREGULAR; FRUITLESS & WASTEFUL EXPENDITURE

Section 32(4) of the MFMA requires that the Municipal Manager “PROMPTLY” inform the Mayor, the MEC for Local Government, and the Auditor-General of any unauthorized, irregular, and fruitless & wasteful expenditure that the municipality has incurred. Only Council can deal with these matters in the manner prescribed.

C6.5.2 BTO

Organogram

Total Staff Compliment	13
Financial Interns	05
Contract Employees	01 (Asset Clerk)

MFMP Competency:

CFO	Completed
Manager Finance	Completed
Accountant: SCM	Completed
Financial Accountant	Commenced to complete by November 2017
Expenditure Accountant	To commence programme
SCM Practitioners x 2	Completed
Debtors Clerk	Completed
Debt Control And Credit Collection Clerk	Completed
Payroll Clerk	Completed
Creditors Clerk	Completed
Budget Officer	Completed

Challenges

The Municipality does not have an Asset unit. This has proven to be a major challenge in addressing Auditor General Queries and in the compilation of an Asset register. Due to budget constraints we are also unable to add more positions onto the organogram. The additional positions are critical in ensuring compliance with different budget and finance policies.

Financial Consultants

Due to the challenges with the Asset unit, the municipality is compelled to utilise financial consultants to compile an Assets register and assist with assets related queries.

C.6.5.4 ASSETS AND INFRASTRUCTURE

The municipality is experiencing challenges in this unit. We do not have a fully supports assets department.

As a result all plans and policies are non- existent.

The Project Management unit will be compiling an Infrastructure plan together with Asset maintenance plans.

Repairs and Maintenance budget as a % PPE

2013/2014	R2 583 435	2.06%
2014/2015	R2 545 247	1.46%
2015/2016	R1 929 488	1.12%
2016/2017	R2 994 118	1%

C.6.5.6. Financial Ratios

Audit Outcome

<u>2013/2014</u>	<u>2014/2015</u>	<u>2015/2016</u>	<u>2016/2017</u>
Unqualified	Unqualified	Unqualified	Unqualified

SWOT Analysis: Municipal Financial Viability and Management

<u>Strengths</u> <ul style="list-style-type: none"> - Within the uMgungundlovu District Municipality - Cash reserves and investments 	<u>Weakness</u> <ul style="list-style-type: none"> - Staff turn around - Revenue raising strategies
<u>Opportunities</u> <ul style="list-style-type: none"> - MFMA - Policies and Acts - Support from Provincial Treasury - Training 	<u>Threats</u> <ul style="list-style-type: none"> - Economic Recession - Political instabilitiy

13 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

13.1 GOOD GOVERNMENT ANALYSIS

13.1.1 National & Provincial Programmes Rolled-out at Municipal Level

IMPLEMENTATION OF SUKUMA SAKHE

Richmond Municipality has functional Operation Sukuma Sakhe(OSS). The OSS Local Task Team meet at Richmond Municipality Council Chamber forth nightly . War Rooms are functioning in all seven wards.

Hereunder are the achievements and challenges;

ACHIEVEMENTS

- The municipality has functional war rooms in all wards.
- The Department of Economic Development has empowered war rooms with necessary resources such as computers and chairs for work purposes.
- the Department of Human Settlements have constructed houses for needy families through Sukuma Sakhe.
- The Department of Home Affairs has assisted a number of community members with ID registration and so on through Sukuma Sakhe
- A number of people are getting social grant through operation Sukuma Sakhe.

CHALLENGES

1. Cadres who assist with profiling, in most instances, get permanent jobs and this normally lead to the shortage of manpower in terms of profiling.
2. Commitment of other Sector Departments in the programme is still a challenge.
3. Some Cadres travels very long distances to the war rooms.
4. There is no specific budget for Sukuma Sakhe.

PROGRAMMES

Here under are the programmes for Sukuma Sakhe;

ACTIVITIES	PURPOSE	TARGET GROUP
Operation MBO	To have an event in each ward wherein all Sector Departments will be present for the purpose of assisting community with services	All Community members
Mobilization of more volunteers at all wards	To ensure that the Municipality has enough volunteers for profiling purpose	Volunteers
Public Service Week for Dr Nelson Mandela	To ensure that community members are encouraged to perform voluntarily community work during the month of July each year.	All community members

BATHO PELE PRINCIPLES

The Richmond Municipality organization will be guided by the following Batho Pele principles:

CONSULTATION	
<p>- You can tell us what you want from us</p> <p>You will be asked for your views on existing public services and may also tell us what new basic services you would like. All levels of society will be consulted and your feelings will be</p>	<p><u>The Principle:</u></p> <p>You should be consulted about the level and quality of the public services you receive and, wherever possible, should be given a choice about the services that are offered</p>

conveyed to Ministers, MECs and legislators.	
SERVICE STANDARDS	
<p>- Insist that our promises are kept</p> <p>All national and provincial government departments will be required to publish service standards for existing and new services. Standards may not be lowered! They will be monitored at least once a year and be raised progressively.</p>	<p><u>The Principle:</u></p> <p>You should be told what level and quality of public services you will receive so that you are aware of what to expect.</p>

ACCESS	
<p>- One and all should get their fair share</p> <p>Departments will have to set targets for extending access to public servants and public services. They should implement special programmes for improved service delivery to physically, socially and culturally disadvantaged persons.</p>	<p><u>The Principle:</u></p> <p>You and all citizens should have equal access to the services to which you are entitled.</p>
COURTESY	
<p>- Don't accept insensitive treatment</p> <p>All departments must set standards for the treatment of the public and incorporate these into their Codes of Conduct, vales and training programmes. Staff performance will be regularly monitored, and discourtesy will not be tolerated.</p>	<p><u>The Principle:</u></p> <p>You should be treated with courtesy and consideration</p>
INFORMATION	

<p>- You're entitled to full particulars</p> <p>You will get full, accurate and up-to-date facts about services you are entitled to. Information should be provided at service points and in local media and languages. Contact numbers and names should appear in all departmental communications.</p>	<p><u>The Principle:</u></p> <p>You should be given full, accurate information about the public services you are entitled to</p> <p>Receive</p>
--	---

OPENNESS AND TRANSPARENCY

<p>- Administration must be an open book</p> <p>You'll have the right to know. Departmental staff numbers, particulars of senior officials, expenditure and performance against standards will not be secret. Reports to citizens will be widely published and submitted to legislatures.</p>	<p><u>The Principle:</u></p> <p>You should be told how national and provincial departments are run, how much they cost, and who is in charge.</p>
--	---

REDRESS

<p>- Your complaints must spark positive action</p> <p>Mechanisms for recording any public dissatisfaction will be established and all staff will be trained to handle your complaints fast and efficiently. You will receive regular feedback on the outcomes.</p>	<p><u>The Principle:</u></p> <p>If the promised standard of service is not delivered, you should be offered an apology</p>
--	--

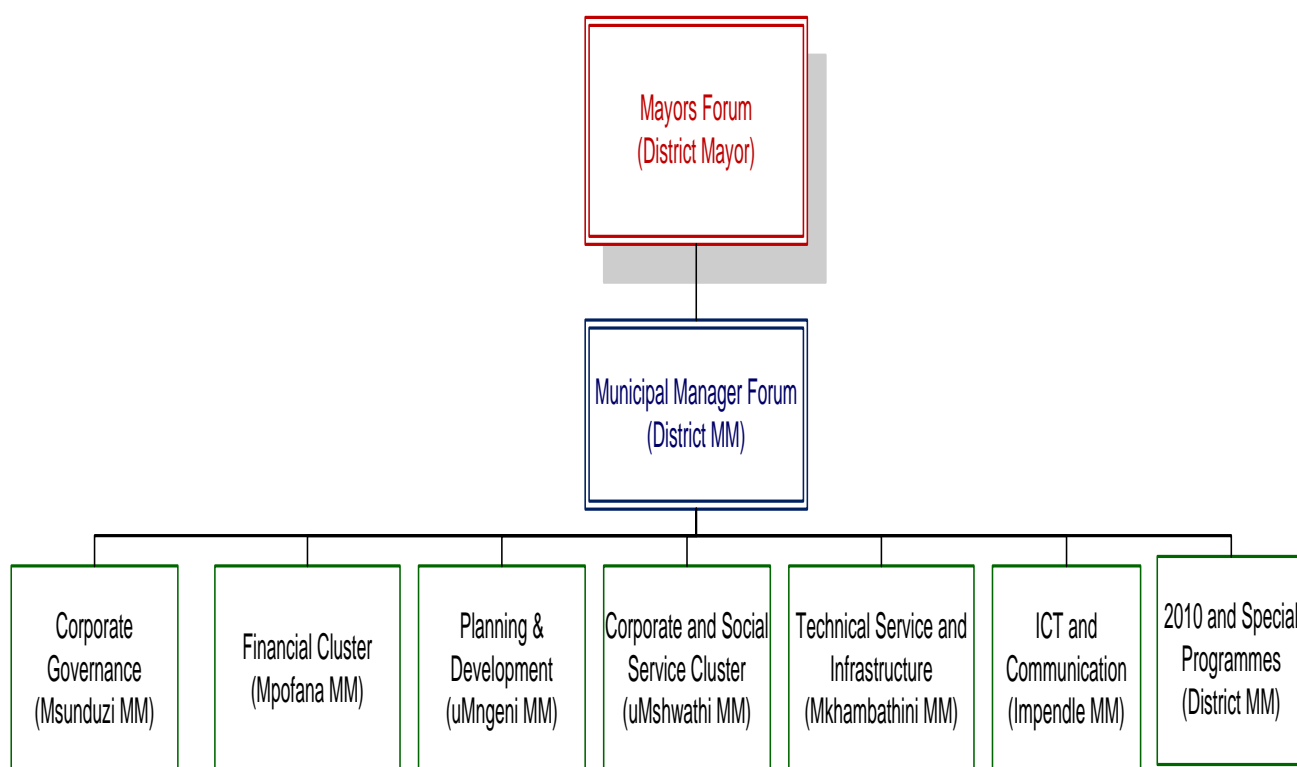
VALUE FOR MONEY

<p>- Your money should be employed wisely</p> <p>You pay income tax, VAT and other taxes to finance the administration of the country. You have the right to insist that your money</p>	<p><u>The Principle:</u></p> <p>Public services should be provided economically and efficiently in order to give you the best possible value for</p>
--	--

should be used properly. Departments owe you proof that efficiency, savings and improved service delivery are on the agenda.	money.
--	--------

13.1.2 IGR

Fully operational Cluster Model (IGR System)



The Cluster Model has led to the establishment of shared services in the District, which also lead to better utilisation of resources. Shared services are now used in the fields of Internal Audit, Performance Management, Integrated Development Planning and Information and Communications Technology. This approach is having the effect that our family of Municipalities in the District are all benefitting from the scarce resources and expertise available within the District. Each cluster is chaired by municipal Managers as indicated in the diagram above.

13.1.3 Municipal Structures

The Municipality comprises of 14 Councillors with the Speaker as the Chair of Council meetings. The Executive Committee is chaired by the Mayor and consists of 3 members

The following two portfolio committees were established by the Richmond municipality and their roles and responsibilities are as follows.

ECONOMIC DEVELOPMENT, PLANNING AND INFRASTRUCTURE / HUMAN RESOURCES	COMMUNITY DEVELOPMENT AND SOCIAL SERVICES / INFORMATION COMMUNICATION TECHNOLOGY
<p>ROLE</p> <ul style="list-style-type: none"> • To assist the Executive Committee to maximize the effectiveness of Local Economic Development, Infrastructure, Planning and Human Resources of the municipality • To advise the Executive Committee on all fiscal and other incentives designed to promote economic development • To advise the Executive Committee on appropriate infrastructure requirements of the municipality • To advise the Executive Committee on Land Use Management and Town Planning matters • To ensure that the Human Resources Administration is governed by the democratic values and principles enshrined in the Constitution • To recommend appropriate policy systems and procedures relating to 	<p>ROLE</p> <ul style="list-style-type: none"> • To assist the Executive Committee to maximize the effectiveness of Community Development, Social Services and Information Communication Technology of the municipality • To advise the Executive Committee on initiatives to promote Community Development, social Services and Information Communication Technology • To advise the Executive Committee on the policy framework referred to in the Municipal Systems Act • To recommend appropriate policy systems and procedures relating to community Development, Social Services and Information Communication Technology matters

Local Economic Development, Infrastructure, Planning and Human Resources matters	
RESPONSIBILITIES <ul style="list-style-type: none"> • Economic development • Tourism • Poverty alleviation • Youth development • Job creation • Infrastructure • Land use management • Town planning applications • Building control • Staff structure/Organogram • Job evaluation • Job grading • Conditions of service • Recruitment, selection and appointment of staff • Performance monitoring and evaluation • Disciplinary procedures • Grievance procedures 	RESPONSIBILITIES <ul style="list-style-type: none"> • Traffic control • Vehicle and learner licencing • Driver Licencing • Security • Disaster management • Library services • Community halls • Sports fields • Sport and culture • Housing support • Information Communication Technology

However these committees need to be reviewed together with their respective terms of reference in order to align them with the core functions of the Municipality.

In addition to the above, Ward Committee's are established and meet regularly with minutes being submitted to the office of the Speaker.

Ward Committees are also responsible for the submission of community needs to the Municipality on an ongoing basis and are used as a means of communication to and from

administrative structures and is also based on the Communication Strategy which requires the necessary information to be made available to communities in terms of the budget, Integrated Development Plan, PMS, Annual Report, etc.

In regard to the current year of review, priority projects were received from the Communities via Ward Committees and Councillors and the strategies, plans and programmes of the Municipality are responsive thereto.

The Richmond Municipality facilitates and chairs the Intersectoral Forum. The main function of this forum is to have an integrated approach to deal with service delivery issues. The forum comprises of sector departments that are based in Richmond. The Departments are as follows; department of Labour, Department of Social Development; Department of Justice, SAPS, Department of Health ,Department of Education, UMgungundlovu District Municipality and the Richmond Municipality. Non Governmental Organizations also participate in these meetings.

The Municipality has also established a Local Labour Forum where all staff matters are discussed.

13.1.4 Audit Committee

The Richmond Municipality has a active Audit Committee which comprises of 3 members. The Audit Committee assists with checking transparency, accountability and appropriate line of responsibility in financial affairs of the Municipality. They assist with management of revenue, expenditure, budgetary matters, supply chain management as well as performance.

The Audit Committee is an Independent advisory body.

13.1.5 Status of Municipal Policies

Table 24. Municipal Policies

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
1	Human Resource Manual	HR			Y		26/02/09
2	Cell Phone Policy	HR 2			Y	Y	28/2/11
3	Use and Care of				Y		

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
	Council Property						
4	In-Service Training Policy				Y		
5	Staff Bursary Scheme Policy	HR 12			Y	Y	28/02/11
6	Indigent Support Policy		MAN 7		Y	Y	31/05/10
7	Performance Management Policy		MAN 5		Y	Y	
8	Rules of Order Council				Y	Y	22/07/11
9	Depreciation Policy				Y		
10	Budgetary Policy			FIN 3	Y	Y	31/05/10
11	Tariff Setting Policy			FIN 8	Y	Y	31/05/12
12	Credit Control Policy			FIN 4	Y	Y	14/02/10
13	Indigent Burial Policy (Pauper Burials)				Y		
14	Internal and External Communication Policy				Y		
15	Public Participation Policy		MAN 10		Y		
16	Internet Policy		MAN 2		Y		
17	Computer		MAN 1		Y		

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
	Equipment Policy inclusive of lap top policy						
18	Acting Allowance Policy	HR 1			Y		26/02/09
19	HIV/AIDS Policy	HR 5			Y	Y	31/05/10
20	Gender Policy	HR 3			Y		26/02/09
21	Vehicle Management and locomotion Policy	HR 15			Y		/09/12
22	Delegation of Powers Policy iro		MAN 3		Y	Y	22/07/11
22.1	Council				Y	Y	22/07/11
22.2	Executive Committee				Y	Y	22/07/11
22.3	Office of the Mayor				Y	Y	22/07/11
22.4	Management Committee				Y	Y	22/07/11
22.5	Municipal Manager's Office				Y	Y	22/07/11
22.6	Head of Department				Y	Y	22/07/11
22.7	Sub-Committees				Y	Y	22/07/11
Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
23	Job Creation Policy	HR 16			Y		
24	Traffic Policy (all relative matters)				Y		

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
25	Review of SCM Policy				Y	Y	14/12/10
26	Property Rates Act Policy				Y	Y	14/12/10
27	Asset Management Policy			FIN 2	Y	Y	14/12/10
28	Labour Relations Policy	HR 7			Y		
29	Health and Safety Policy	HR 4			Y	Y	31/05/10
30	Uniforms and Protective Clothing Policy				Y	Y	31/05/10
31	Leave Policy	HR 8			Y		26/02/09
32	Termination of Services Policy				Y		
33	Recruitment, selection and appointment policy	HR 9			Y	Y	31/5/10
34	Training Policy	HR 6			Y		26/02/09
35	Usage of Telephones Policy	HR 14			Y	Y	31/05/10
36	Corporate Social Responsibility Policy		MAN 16		Y		
37	Code of Conduct and Ethics Policy				Y		22/7/11
38	Sexual Harassment	HR			Y		

Number	Policy	Ref	Ref	Ref	Drafted	Reviewed	Adopted
	Policy	10					
39	Smoking in the work place policy	HR 11			Y		
40	Promotion of Access to Information Policy		MAN 9		Y		
41	GAMAP Policy				Y		
42	Revenue enhancement Policy			FIN 7	Y	Y	14/12/10
43	Cash and Investment Policy			FIN 6	Y	Y	14/12/10
44	Travelling allowance	HR 13			Y	Y	31/05/12
45	Fraud Prevention - Risk Management		MAN 4		Y		30/06/08
46	Overtime Policy				Y		08/12/09
47	Standby Allowance Policy				Y		08/12/09
48	Appointment of Casual Staff				Y		31/1/11
49	Performance Management				Y		
50	Ward Committees Policy				Y		31/5/10

Budget Related Municipal Policies

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE
1	Debt Collection and Credit Control Policy	Budget & Treasury Office	Y	14/12/2010
2	Traffic Policy (all relative matters)	Community Services	Y	#####
3	Pety cash Policy	Budget & Treasury Office	Y	To be adopted.
4	Revenue enhancement Policy	Budget & Treasury Office	Y	14/12/2010
5	Municipal property rates policy	Budget & Treasury Office	Y	14/12/2010
6	Borrowing Policy	Budget & Treasury Office	Y	14/12/2010
7	Long Term Financial Plan Policy	Budget & Treasury Office	Y	14/12/2010
8	Supply Chain Management policy	Budget & Treasury Office	Y	14/12/2010
9	Asset management	Budget & Treasury	Y	14/12/2010

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE
	policy	Office		
10	Indigent policy and Free Basic Services Policy	Budget & Treasury Office	Y	14/12/2010
11	Cash Management and Investment Policy	Budget & Treasury Office	Y	14/12/2010
12	Budget Policy	Budget & Treasury Office	Y	14/12/2010
13	Infrastructure and Capital Investment policy	Budget & Treasury Office	Y	14/12/2010
14	Funds and Reserves Policy	Budget & Treasury Office	Y	14/12/2010
15	Tariff Policy	Budget & Treasury Office	Y	14/12/2010
16	Virement Policy	Budget & Treasury Office	Y	14/12/2010
17	Human Resource Policy	Corporate Services	Y	

13.1.6 Municipal Risk Management

MFMA S62 (i) (c) requires a municipality to have and maintain an effective , efficient and transparent system of risk management.

The municipality has been assisted by the Provincial Treasury in completing and reviewing the risk register. The internal auditors have also played a significant role in this area in ensuring that the Municipality complies with the requirements of the Municipal Finance Management Act.

The Municipality currently has a draft policy on risk management and the policy will be work-shopped to all Councillors and staff of the Municipality.

The draft policy also recommends the establishment of the risk management committee and for this purpose the municipality will utilize the services of the Municipal Public Accounts Committee as well as the Audit Committee of the Municipality.

13.1.7 Municipal Bylaws

Published in the Provincial Gazette on 1 November 2010.

Table 25. Municipal Bylaws

NO.	MUNICIPAL NOTICES
108	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pollution Control By-laws
109	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Parking Grounds By-laws
110	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Keeping of Dogs
111	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Street Trading By-laws
112	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to the Removal of Refuse

113	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Cemetery By-laws
114	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Road and Miscellaneous By-laws
115	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Encroachment on Property By-laws
116	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Waste Management By-laws
117	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Advertising Signage By-laws
118	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Funeral Undertakers By-laws
119	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Pound By-laws
120	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws for the Hire and Use of Community, Arts and Cultural Facilities
121	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management and Debt Collection By-laws
122	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Credit Management By-laws
123	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Health By-laws
124	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Public Meetings and Gatherings, Processions and the Like
125	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Library and Information Services By-laws
126	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: Public Spaces By-laws

127	Local Government: Municipal Systems Act (32/2000): Richmond Municipal Council: By-laws Relating to Nuisances
-----	--

13.2 PUBLIC PARTICIPATION ANALYSIS

Public participation process in the IDP preparation/review has to be institutionalized – in order to ensure that all the residents/community has equal rights to participate. Public participation is done in terms of a relevant legislative requirement, public has to be informed and give inputs on projects and programmes planned by the municipality in terms of service delivery.

The following participation mechanisms are used:

- **IDP Representative Forum:** The Forum will represent all stakeholders and will be as inclusive as possible. Additional organisations will be encouraged to participate in the Forum throughout the process.
- **Media:** Amongst other means, the local press will be used to inform the community on the progress with respect to the IDP process. (The Natal Witness, Ilanga, Echo newspaper)
- **Notices:** Notices on the IDP development will be placed on the Municipal Notice Boards and public buildings (e.g. schools, clinics, tribal/magistrate's court, etc).
- **Ward level IDP meetings:** Meetings were held in each of the seven (7) wards to ascertain the needs of the communities.

The IDP presentation process requires substantial input and support from other spheres of government i.e. National and Provincial Departments (service providers) and community at large.

The IDP public participation meetings have been conducted successfully in all wards, see the table with details below.

Ward	Date	Time	Venue	Ward Councillor
1	29-11-2017	15h00	Agriculture Hall	ClIr Ndlovu S.B
2	19-11-2017	12h00	Siyathuthukha Hall	ClIr Ngubo
3	30-11-2017	10h00	Nsongeni Hall	ClIr Maphumulo V
4	14-11-2017	14h00	Argosy Hall	ClIr Shange B

5	22-11-2017	09h00	Tusong centre	Cllr Ngcongo B.B
6	22-11-2017	13h00	Esimozomeni Hall	Cllr Jili J
7	26-11-2017	13h00	Ndabikhona Hall	Cllr Shange S

13.2.1 Good Government and Public Participation: SWOT Analysis

Table 26. Good Governance And Public Participation Swot Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Significant number of operational policies of the and by-laws of the municipality adopted; • 75% of Senior Management positions and 98% of other critical positions filled; • Clean Audit with matters – 2011/2012;2013/2014 • Best Performing Local Municipality award in 2012; • Basic plant and equipment to undertake responsibilities; • Fully established and functional Supply Chain Management Committees; • Political Stability and established ward committees; • Sound financial liquidity and viability; • 90% of critical units established and legislated and critical support committees established; • Strategic partnership with Sector 	<ul style="list-style-type: none"> • Poor management practise resulting in policies, procedures, and plans not being adequately implemented include • Limited supervisory skills (planning, people management, ineffectiveness, staff discipline & morale); • Limited training and capacity building to Council Committees and Staff which result in poor execution of responsibilities; • Limited funding sources resulting in slow growth of the Municipality as an organisation; • Slow turn around in the processes of Supply Chain Management; • Difficulty to retain adequately skilled and experienced staff; • Ineffective approach to integrated service delivery planning and implementation between Municipality, District Municipality, Sector Departments and Parastatals; • Lack of land for development of economic,

<p>Departments and Government Support agencies;</p> <ul style="list-style-type: none"> •Availability of critical sector plans and strategies; and •Newsletters, annual reports. 	<p>social and infrastructure projects;</p> <ul style="list-style-type: none"> •Limited staff capacity in other critical areas to enforce compliance with legislative prescripts and implement plans resulting from limited funding sources; •Lack of well informed plans to undertake social responsibilities (HIV/Aids, Sports, Arts and Culture); •Limited participation of community in affairs of municipality and inadequate dissemination of written communication in a language understood by the majority of citizens ; •Slow progress in taking advantages presented by technological changes and outdated information on Municipal Website; and . Percentage of outstanding policies, plans and procedures
OPPORTUNITES	THREATS
<ul style="list-style-type: none"> •Enabling legislation; •Availability of intergovernmental forums and OSS and available skills capacity opportunities; •Potential capital infrastructure grant from Sector Departments e.g. MIG and other; •Geographical location of the Municipality to potential strategic marketability of the 	<ul style="list-style-type: none"> •Natural disasters which threaten existence of infrastructure; •Negative impact of HIV/Aids and other chronic diseases; •Effects of economic recession and economic growth factors like the existence of BBBEE scorecard which result in inability to respond to low economic participation of

<p>town and its activities; and</p> <ul style="list-style-type: none"> •Land availability from land restitution beneficiaries. 	<p>local emerging contractors;</p> <ul style="list-style-type: none"> •Delays grant approval processes by other sector Departments like DoHS; •Negative political influence that result in services delivery protests that threaten existence infrastructure; •Negative impact of technological advances that requires funding for training and upgrading of equipment; and •Salary disparities among municipalities and potential competition among municipal employee and greed that result high staff turnover.
---	--

13.2.2 COMBINED SWOT ANALYSIS

Find the following:

Budget Process Plan. Intergrated Development Plan and Planning Forum. Intergrated Development Plan Steering Committee. Representative Forum: Community members give inputs on the Intergrated Development Plan.

Information Technology Disaster Recovery Plan. Information Techology Policy. Maintenance of Hardware and software.

Baseline Indicator. reation of Database for SMME's and Co-operatives. Local Economic Development Strategy.

13.3 KEY CHALLENGES

Find the following:

There is delays in project approval , bulk infrastructure is also a challenge and land.

Procurement plan developed and tabled at MANCO monthly.However challenges are still being experienced with specifications. Training of all bid committee members was undertaken in July 2013

Due to budget constraints a permanent official could not be appointed. However an Internsare currently undertaking all asset management duties. Assets are now being barcoded as and when delivered.

Due to a shortage of permanent officials within the Budget and Treasury Office a dedicated official has not been identified. However the Expenditure Accountant is tasked with undertaking these duties.

13.4 WARD BASED PLANNING

Planning is for the community, the Municipal Systems Act of 2000 mandates community engagement as a core function of governance. Active community involvement is necessary in Ward Based Planning, the municipality, ward committee, ward councilors and the whole community has to take part in such consultations so that the community can be able to raise their daily concerns in a democratic way. Freedom of expression is also supported when the community raises their voices to inform future planning and projects. Each ward is unique hence the consultations are facilitated in all the seven different wards within a municipality. The ward based plan was developed as per community engagements/consultations.

13.5 LAND USE MANAGEMENT

SPLUMA provides a framework for spatial planning and land use management in South Africa:

- Specifies the relationship between the spatial planning and the land use management system and other kinds of planning;
- Ensures that the system of spatial planning and land use management promoted social and economic inclusion;
- Provides for development principles and norms and standards;
- Provides for the sustainable and efficient use of land;
- Provides for cooperative government and intergovernmental relations amongst the national, provincial and local spheres of government; and
- Redresses the imbalance of the past and to ensure that there is equity in the application of spatial development planning and land use management systems.

SPLUMA applies to the whole of South Africa (urban and rural areas) and governs informal and traditional land use development processes.

SPLUMA consists of 7 chapters and 3 schedules including:

1. Definitions (Chapter 1);
2. Development Principles and norms and Standards (Chapter 2);
3. Intergovernmental Support (Chapter 3);
4. Spatial Development Framework (Chapter 4);
5. Land Use Management (Chapter 5)
6. Development Management (Chapter 6); and
7. General Provisions (Chapter 7).

Chapter 6 requires municipalities to establish a municipal planning tribunal or joint municipal planning tribunal. uMngungudlovu establishment of a Joint Municipal Planning Tribunal (JMPT) and Richmond municipality forms part of that tribunal , and the Spatial Planning and Land Use By-laws were adopted by council in 2015. The Chief Planner: Development Planning Shared Services has been designated as the Municipal Planning Officer as part of the JMPT. The municipality has adopted a wall to wall scheme and rural and land use anagement policy in December 2015.

CHAPTER 4:

VISION, GOALS,

OBJECTIVES AND

STRATEGIES

14 VISION, GOALS, OBJECTIVES AND STRATEGIES

RICHMOND'S VISION BY 2021

Richmond municipality will be a competitive friendly and safe environment to work, do business and live in, offering a better life and access to quality service delivery to its employees, people and stakeholders by 2021

The vision, as recorded above, inspires and focuses the attention and mobilizes all residents, communities, stakeholders, politicians and officials in creating the desired future based on the implementation of projects and programmes in a sustainable manner thus creating a viable municipality focused on attaining its developmental mandate and therefore meeting the needs of all citizens in response to the requirements of legislation in that local government needs to be developmental in its approach.

The following Vision has been adopted in the KZN Growth and Development Strategy:

KWAZULU-NATAL - A PROSPEROUS PROVINCE WITH A HEALTHY, SECURE AND SKILLED POPULATION, ACTING AS A GATEWAY TO AFRICA AND THE WORLD.

By 2030, the PROVINCE OF KWAZULU-NATAL should have maximized its position as a GATEWAY to South and Southern Africa, as well as its human and natural resources so creating a safe, healthy and sustainable living environment.

Abject poverty, inequality, unemployment and current disease burden should be history, basic services must have reached all its people, domestic and foreign investors are attracted by world class infrastructure and a skilled labour force.

The people shall have options on where and how they opt to live, work and play, where the principle of putting people first and where leadership, partnership and prosperity in action has become a normal way of life.

14.1 OBJECTIVES AND STRATEGIES

To realize the Vision and to ensure sustainable growth within the municipality in accordance with its priorities aligned to national and provincial targets, the following strategies and objectives seek to unravel some of the key challenges which, if not adequately addressed will have an adverse impact in terms of improving the well being of the residents and on which the details of the key performance areas were expounded on and on which the plans, programmes and projects of the municipality are based. The development strategies of the Richmond Municipality are developed and structured according to the 6 National Key Performance Areas of the SIX YEAR LOCAL GOVERNMENT STRATEGIC AGENDA.

- Basic Service Delivery and Infrastructure Development
- Social and Local Economic Development
- Good Governance and Public Participation
- Municipal Transformation and Institutional Development
- Municipal financial viability and management
- Cross cutting key performance indicators

14.2 ALIGNMENT OF KZN PGDS GOALS WITH RICHMOND LOCAL MUNICIPALITY GOALS, OBJECTIVES AND STRATEGIES

Richmond municipality is aware of the KZN PGDS Goals and objectives. Whilst reviewing its IDP, the municipality developed strategic objectives and goals that were geared towards achieving the KZN PGDS and Nation goals. The projects listed in the IDP are expected to promote: (i) human & natural resources; (ii) safe, healthy & sustainable living environment; (iii) healthy educated community; (iv) basic services & good infrastructure, and (v) investment confidence. The table below illustrates the alignment of Richmond municipality goals & objectives with that of the KZN PGDS.

The Table below shows the linkages of the KPAs, KZN PGDS with the municipality IDP Goals.

KEY PERFORMANCE AREAS	PGDS	IDP GOALS
Cross Cutting	Spatial Equity Environmental Sustainability	Sustainable spatial planning
Municipal Transformation and Organisational Development	Human Resource Development	Human resource management and development
Basic Service Delivery and Infrastructure Development	Strategic Infrastructure	Improve service delivery and infrastructure development
Local Economic and Social Development	Job Creation Human and Community Development	Development of local economy
Municipal financial viability and management	Governance and Policy	Effective financial management
Good Governance and Public Participation	Governance and Policy	Good public governance

The municipality developed IDP goals, objectives and strategic focus areas which are aligned to the seven provincial goals as contained in the PGDS and also aligned to the national Key Performance Areas

KEY PERFORMANCE AREA	IDP GOAL	OBJECTIVE	STRATEGY FOCUS AREA
Cross Cutting	Sustainable Spatial Planning	to facilitate land use management	
		To promote accountability and efficiency in the use of	Implement measures for the safeguarding

		municipal assets and community facilities	of assets for the municipality and community facilities to promote efficiency and accountability
Municipal Transformation and Organisational Development	Human resource management and development	To conduct needs-based training programmes and bolster municipal capacity.	Update and implement the Workplace Skills Plan in accordance with training and development needs and municipal agreements.
		To foster a culture of good employee management and retention.	Assessment of status quo, develop and implement remedial measures.
		To update and communicate systems that drive institutional development and enhance staff recruitment, retention and motivation.	Update of existing OD systems to enhance their effectiveness and develop policies to preserve institutional memory.
		To manage and upkeep and maintenance of properties and vehicles.	Develop, monitor and report on a facilities management plan

		To effectively manage the information communication technology systems and ICT infrastructure of the municipality.	Develop and drive implementation of the ICT strategy and plan.
		To maintain a productive relationship between the municipality and its employees.	Update and communicate the labour relations policies and procedures.
		To workshop and implement the delegations of authorities policy	Implement monitoring and evaluation mechanisms
Basic Service Delivery and Infrastructure Development	Improve service delivery and infrastructure development	To provide sustainable human settlements	address housing shortages
		<p>To provide access to proper community facilities</p> <p>To Implement road-building and maintenance programmes and improve rural accessibility</p> <p>To provide accessible and reliable burial infrastructure facilities</p> <p>To provide access to proper community facilities</p> <p>To provide safe and reliable waste management services</p>	<p>Implement service delivery programmes and reduce services and infrastructure backlogs.</p> <p>To target nodal areas</p>

Local Economic and Social Development	Development of local economy	To increase opportunities for better life and improved standard of living.	Facilitate improved literacy rate and better standard of living
Municipal financial viability and management	Effective financial management	To improve financial viability and sound financial management as per MFMA	Implement systems and processes which ensure clean audits, compliance to legislation and high performance. Reduce dependency on grants and increase revenue collection and alternative revenue generation sources.
		To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.	Improve systems for demand and supply chain management
		To have a GRAP compliant asset register for the municipality.	Implement systems and processes which ensure clean audits, compliance to legislation and high performance.
		To prepare the budget for the municipality in full compliance with legislative prescripts.	Prepare financial plans and provide reports in terms of applicable legislation

Good Governance and Public Participation	Good Public governance	To strengthen governance and IGR Structures	Establish governance structures and develop protocols for all processes and participate in all IGR to share knowledge best practises and promote integrated development
		To improve compliance and public participation and awareness.	Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness.

CHAPTER 5: STRATEGIC MAPPING AND IMPLEMENTATION PLAN

15 STRATEGIC MAPPING AND IMPLEMENTATION PLAN

This section of the IDP is obtained from the Spatial Development Framework developed in 2016. The Spatial Development Framework is an all-inclusive strategic spatial guiding tool, that directs development and the implementation thereof.

This component of the IDP is intended to outline briefly the spatial key components that form as anchors on which development shall be based. The following will be presented:-

- Key Spatial Structuring Elements
- Environmental Sensitive Areas
- Nodes and Corridors
- Key Spatial Development Issues
- Alignment with Neighbouring municipalities
- Desired Spatial Outcome -Strategic Guidance

15.1 STRUCTURING ELEMENTS

The main road linkages within the Municipality are along R56 which forms the north south corridor linking Pietermaritzburg, Richmond and Ixopo. R56 transerves the middle of municipal area in northsouth direction The R624 links Richmond to the south coast and the R603 to the N3 corridor. In terms of Public Transport there are eleven routes which transport passengers within and outside of Richmond. Richmond's location in terms of major transport routes and corridor development serves as a link between eThekweni and Gauteng and its location therefore creates numerous benefits and should work towards strengthening the economy of the area.

Mkomazi River which is located on the southwestern boundary of the municipality. This is one of the major rivers within the province and the Municipal Demarcation Board used it to demarcate the southern boundary of Richmond Municipality.

Richmond Local Municipality is predominantly rural in nature. The rural settlements within Richmond are those that house the majority of the municipalities population. Richmond Town is the only urban centre that services the surrounding rural settlements. Dense

settlements exist around the Richmond Village, Greater Ndaleni and Hopewell. Settlements in other parts of the municipal area are sparsely scattered. Ownership of land in the municipality occurs in three forms namely:-

- Privately owned land
- State-owned
- traditional authority (Ingonyama Trust)

The majority of privately owned land is utilised by agricultural practices and traditional authority used as settlements. The remaining areas consist of grasslands which are on the south-western edge of the municipality.

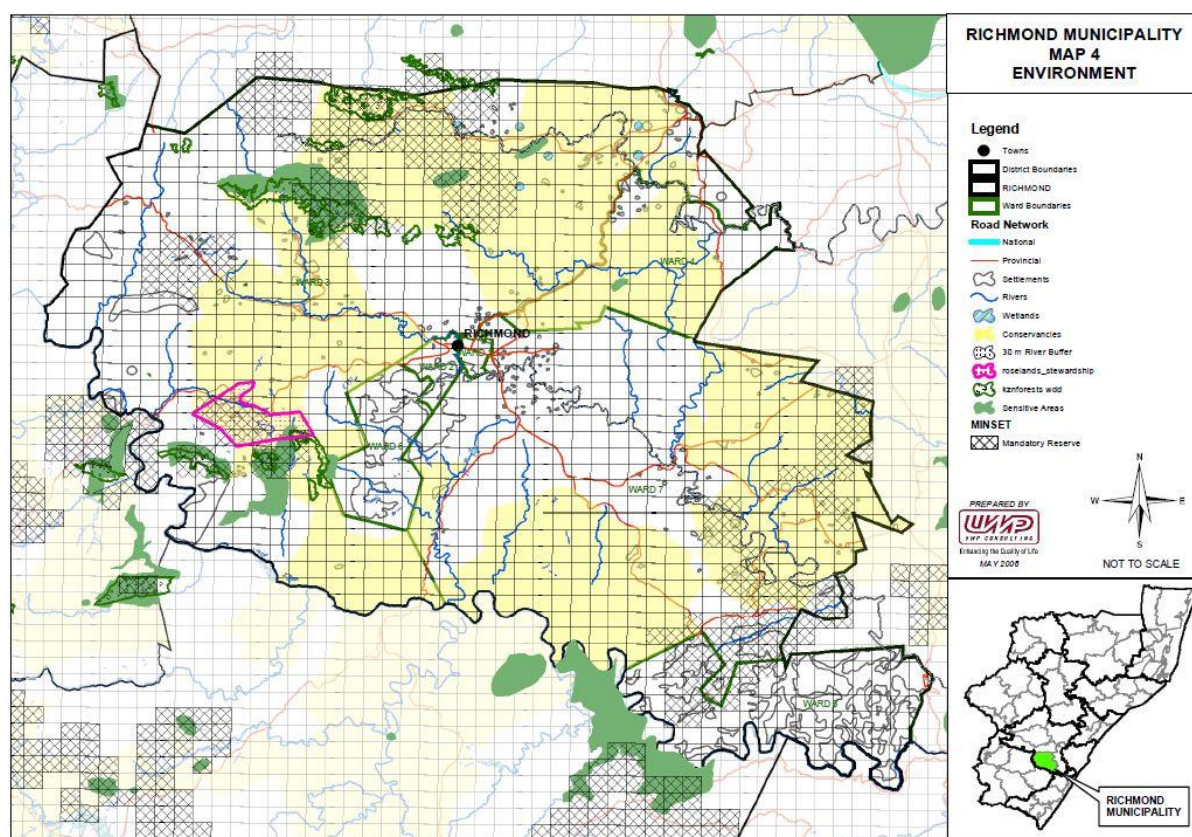
15.2 ENVIRONMENTAL SENSITIVE AREAS

The District is characterised by a rich biodiversity and consists of various topographical features, ecosystems and habitat types. The topography of the region descends from the Drakensburg Mountains towards the Indian Ocean in a series of terraces which separate escarpments such as the Karkloof range, Townhill and Table Mountain.

The following are the environmental categories of land that have been identified:-

- National Parks and Equivalent Reserves, (Cobham State Forest)
- Natural Monuments and areas of Cultural Significance (Natural Heritage sites, sites of Conservation Significance and Sanctuaries)
- Habitats and Wildlife
- Protected land/Seascapes, protected landscapes, protected natural environments
- Important Environmental Management Areas

Map 16. Environmental Context



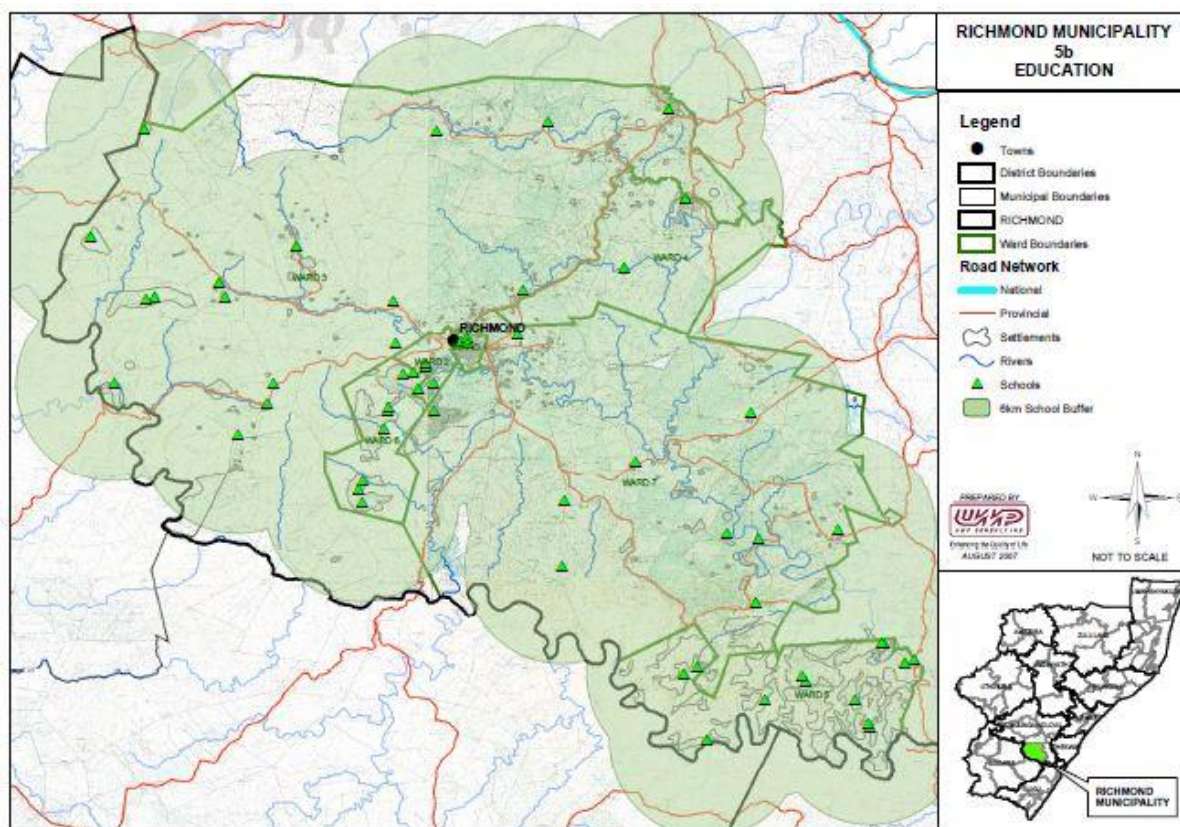
The Richmond Municipality is located in a summer rainfall area and is therefore has various hydrological features. It is with many perennial rivers, streams, wetlands and a large number of farm dams.

Commercial agriculture is the main land use and this is due to the high agricultural potential that has been identified within the municipal area. Forestry plantations occur throughout the municipal area and sugarcane is grown along the eastern boundary. Smaller pockets of land which are irrigated for commercial purposes are dispersed throughout the municipality. Subsistence farming particularly within rural settlements is prevalent and this also is reinforced by the nature of the municipality.

The agricultural potential is entirely dependant upon soil and climatic conditions. The central, western and northern areas of the municipality are characterised by high potential land. This portions of the municipality account for approximately 60% of the entire municipal area. This implies generally that the municipalities soils and climatic conditions favour agricultural practices and therefore agricultural potential within Richmond is quite high.

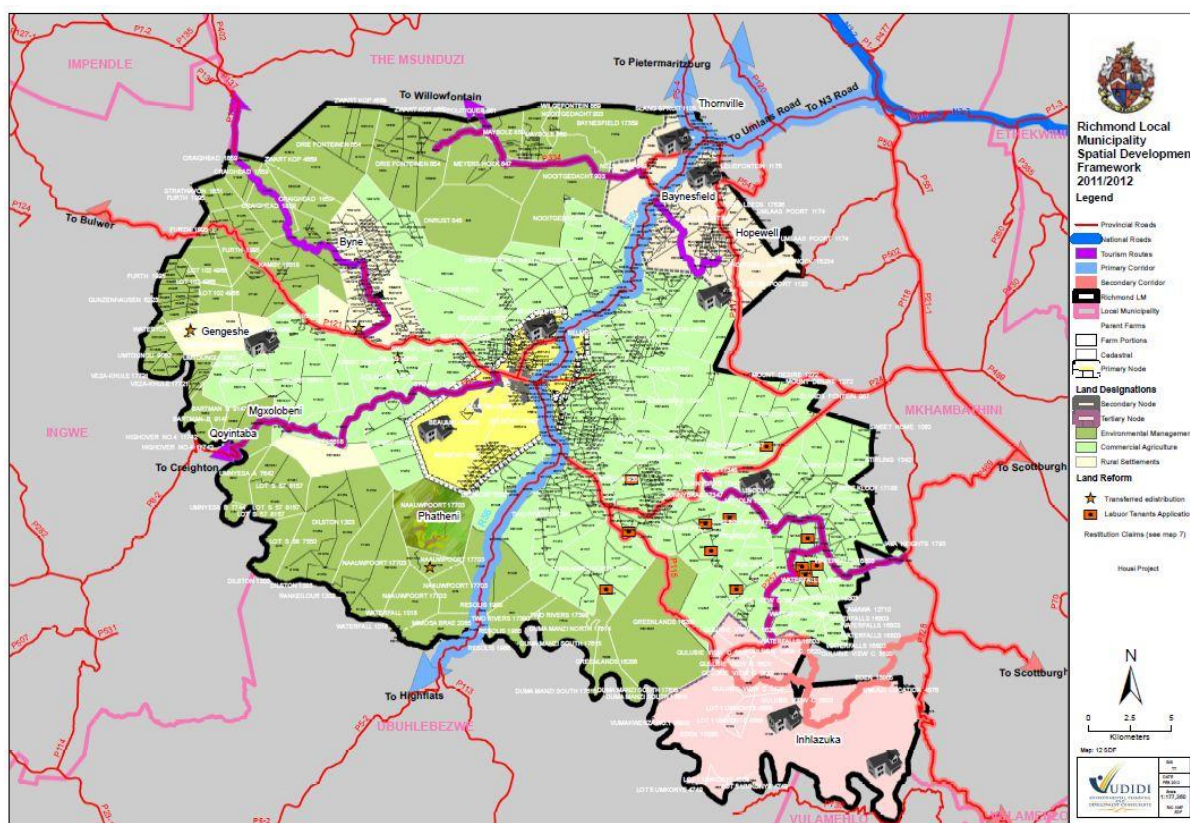
The figure below represents spatially the location of educational facilities within Richmond LM. There are 37 schools within the municipal area. These are well distributed throughout the municipality and they generally meet the recommended planning standards.

Map 17. Access to Education



The figure below is the spatial representation of all strategies and objectives that have been outlined clearly within this IDP. It is a spatial expression that aims to guide development and links all development perspectives of the municipality. Richmond Municipality does not exist in a vacuum and therefore its counterparts (neighbouring municipalities) are integral components to consider. According to the Districts and Richmonds LED strategies, it is clear that the focus for development in Richmond is based on its agricultural potential, agro processes, nature based tourism and Box Four Farming. It has also been highlighted the potential for special manufacturing, service opportunities and mid to lower residential property development parks that should be exploited within Richmond for optimal economic gain.

Figure 4. Richmond Spatial Development Framework



15.3 DEVELOPMENT NODES AND CORRIDORS

Nodal areas are defined in the latest SDF guidelines of July 2010 as areas where there is high intensity of land uses and where activities will be supported and promoted. The development of nodal points helps to improve efficiency since it provides easy access and creates thresholds for a variety of uses and public transport services. Richmond like any given municipality accommodates a hierarchy of nodes which shows the relative intensity of development anticipated for the various nodes, and the dominant nature and activity of the nodes.

The SDF 2016, identifies the following nodes:-

- Primary Node Main Hub- Richmond Town- Administrative and Economic Centre
- Secondary Node- Thornville, Byrne and Inhlazuka
- Tertiary Node - Hopewell, Ndoleni, Kwamagoda, Simozomeni and Mgxolobeni

The following are development corridors which were identified:-

- Urban/Residential, Primary- P5
- Agricultural/Residential, Secondary-P121, P24 AND P115
- Agricultural, Tertiary- P334, D58, P8 and P116
- Tourism Corridor- Along the Southern boundary of the Municipality

15.4 DESIRED SPATIAL OUTCOME

The assignment's objective is to formulate a Municipal (Richmond Municipality) SDF to produce an SDF which addresses the following key issues:

- Overall spatial distribution of current and desirable land usages within the municipality
- Ensure that the urban form supports an efficient transport system, especially public transport, and will improve movement and accessibility.
- Manage the development of strong, viable nodes that are directly linked with the transport system and will ensure the clustering of appropriate activities and densities.
- Enhance and protect residential environments through clear policy guidelines for new residential development, what activities, including economic activities, are deemed to be appropriate in residential areas and sustainable delivery of environmental, social and engineering infrastructure.
- Ensure that the urban form will support the provisions of a functional and sustainable open space system and will through a more efficient urban structure, facilitate the reduction of pollution, the management of water run-off and the protection of ecologically sensitive areas.
- Facilitate urban restructuring and focused development through appropriate corridor development.
- Ensuring environmentally sustainable development through managing the environmental impact of development activities.
- To inform the development of the Richmond Land Use Management System (LUMS) in terms of desired land uses.

- To ensure alignment with the neighbouring local municipalities.

15.4.1 PLANNING STRATEGIES

15.4.2 Access Routes as Investment Lines

- Developing a district structure (see establishment of structure above)
- Establishing a clear framework which facilitates access in its wider context
- Creating a framework to direct public and private investment
- Developing a network of opportunity on the basis of existing roads, settlement, natural resources and features
- These routes represent the spines around which existing development has been attracted to and potentially also represent opportunities for future development
- A hierarchy of investment lines can be distinguished consisting of primary, secondary and tertiary routes
- The identification of this hierarchy provides guidance for the location of relevant land uses.

15.4.2.1 A Service Centre Strategy

- Creating a hierarchy of service centres (nodes) offering a range of facilities and activities throughout the district.
- Four levels of areas are suggested to include a district centre, primary, secondary and satellite service nodes.
- The centres are conceptualised as serving different catchments and offering a range of services and opportunities
- In general higher order centres will at the same time serve as the relevant lower order centres
- The principles suggested will have to be adjusted to specific local circumstances.

15.4.2.2 Natural Resource as Primary Asset and Structuring Element

- Acknowledging, protecting and enhancing the inherent qualities of the landscape and managing the natural environment as a prime asset and resource base for the district.
- Environmental sustainability, restoration and rehabilitation and appropriate usage forms the basis for this
- The sustainable utilization of natural resources is suggested to *inter alia* promote the development of agriculture as a key driver of the rural economy incorporating currently underutilized agricultural land
- The identification of new inherent opportunities to be found within the picturesque landscape which characterizes much of the district including developing latent potential particularly with regards to tourism opportunities.

15.4.2.3 Integration

- Integrate Low Income residential areas to high order centres
- New economic opportunities in growth area and adjacent to major roads

15.4.2.4 Compaction

- New and Infill development focused to create coherent system, mainly in urban and peri-urban areas of Greater Indaleni/ Richmond and Thornville.

15.4.2.5 Meeting Land Use Needs and Identification of areas of economic development potentials

- New Residential areas
- New economic opportunity areas, especially those areas which were previously excluded from the main stream economy
- New nodal points
- Restructure CBD

15.4.2.6 Restructuring of the LM

- Creation of new nodes and new economic opportunity areas
- Limited mixed-use activity spines between focus points
- Redressing imbalances with improved infrastructure and new economic opportunities

15.4.2.7 Sustainability

- Protecting environmentally sensitive areas
- Coherent and reinforcing infrastructure
- Protecting agriculture potential areas
- Upgrade residential areas with appropriate infrastructure
- In situ upgrading of Informal settlements

15.4.2.8 Establishing a Management Framework

- Having established an investment framework and a natural resource base, it is possible to identify an overall management framework to guide future development.
- Such guidance will include the identification of primary land use zones such as environmental conservation zones, agricultural zones, areas for residential settlement etc.

15.4.3 Alignment with Neighbouring Municipalities

15.4.3.1 DISTRICT SPATIAL DEVELOPMENT FRAMEWORK:

An overview of the UMDM SDF reveals the following as key spatial features that may impact on Richmond:

- Dominance of Pietermaritzburg as the provincial administrative centre, regional economic hub and a primary service centre.
- Importance of high potential agricultural land particularly areas that fall within the midlands mist belt.
- Provincial north-south linkages that knit a number of towns from Kranskop in

the north through UMDM to Kokstad and beyond in the south.

- Catchment management given the provincial significance of Umngeni River Catchment and Mkhomazi River catchment to the south.

UMDM SDF identifies Richmond town as a tertiary node and a municipal administrative centre. It defines a municipal centre as an appropriate area for the location of services such as police, administrative functions, hospitals, training, diverse commercial and economic functions and a variety of residential uses

15.4.3.2 MKHAMBATHINI SPATIAL DEVELOPMENT FRAMEWORK:

The interface along both boundaries aligns in terms of Zonation as both sides have agriculture zones. P624 from Eston to Richmond and P117 to Hopewell are aligned as they are both Secondary Corridors. Cross Border Linkages in terms of access need to be strengthened

15.4.3.3 MSUNDUZI SPATIAL DEVELOPMENT FRAMEWORK:

Richmond Local Municipality proposes Residential Expansion on the boundary of Msunduzi while on Msunduzi the interface is existing residents. Road Linkages are also aligned.

15.4.3.4 INGWE SPATIAL DEVELOPMENT FRAMEWORK:

P121 to Indaleni and P8.2 linking from P8-1 as Tertiary Corridors align to Richmond proposals of Corridors. Agriculture and tourism zones on Ingwe Local Municipality also align to Richmond's.

15.4.3.5 UBUHLEBEZWE SPATIAL DEVELOPMENT FRAMEWORK:

Rural / Traditional Areas along Richmond Municipal Boundary. These areas along Umkomaas River are environmentally sensitive and the main activities include agriculture and tourism.

16 IMPLEMENTATION PLAN

Table 1. Implementation Plan

12.1 STRATEGIC GOAL 1: INCLUSIVE ECONOMIC GROWTH

The implementation plan below is outdated the correct implementation plan is an attachment together with the SDBIP.

Objective	Obj Ref	Intervention s	Strategies / Projects	Performanc e Indicator	Baselin e (16/17)	5 Year Target					Budget and Source	Responsibilit y in LM	Evidence
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Develop and promote agricultural potential of Richmond and the district	SG1 - CP2 – SDBIP Ref. LED 20: LED 21:	Direct support to emerging commercial farmers	Develop and implement SMME and Cooperatives Support Programme	Number of SMME and Coops development programme s conducted	10	2	4	7	4	2	RLM OPEX R20,000.00	RLM Manager: LED, DARD, EDTEA, uMDM, SEDA, UKZN, NYDA, Ithala, Private Sector	Invitations for training, Training Manual, Signed attendance registers
		Diversificatio n of agricultural production and identification of niche markets and agri-processing opportunities	Strategic Partnerships concluded to provide technical farming assistance	Partnership with UKZN: Technical Farming Assistance to Land Reform Beneficiaries	0 (new)	1	1	1	1	1	0.00		Signed Strategic Partnership Agreement
				Number of cooperative s / Land Reform or Land Recap Beneficiaries assisted with access to technical farming and implements	0 (new)	10	20	30	40	50	RLM OPEX R20,000.00 uMDM OPEX R100,000.00	RLM Manager: LED, uMDM Manager: Economic Development and Tourism UKZN (Foundation)	UKZN Operational Reports Offtake agreements concluded
				Number of new emerging commercial farmers contributing to regional economy	0 (new)	10	20	30	40	50			
			Implementation: FPSU to respond to agri-processing wrt economic diversification and value-add throughout value-chain	Number of emerging commercial farmers given access to confirmed markets	0 (new)	TBD					R2,617,527.12 (proposed as per Urban Econ Report)	FPSU	FPSU Entity

				Number of Youth amongst economically active employment	Straight growth rate	10	10	10	10	10	As above	FPSU	FPSU Entity
--	--	--	--	--	----------------------	----	----	----	----	----	----------	------	-------------

Objective	Obj Ref	Indicators	Interventions	Strategies / Projects	Performance Indicator	5 Year Target						Budget and Source	Responsibility in LM	Evidence
						Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Develop and promote agricultural potential of Richmond and the district	SG1 - CP2 – Economic Development	Total employment in agricultural sector	Direct support to emerging commercial farmers	Develop and implement SMME and Cooperatives Support Programme	Number of SMME and Coops development programmes conducted	10	2	4	7	4	2	RLM OPEX R20,000.00	RLM Manager: LED DARD, EDTEA, uMDM, SEDA, UKZN, NYDA, Ithala, Private Sector	Invitations for training, Training Manual, Signed attendance registers
		Value of agricultural contribution to regional economy	Diversification of agricultural production and identification of niche markets and agri-processing opportunities	Partnership with UKZN: Technical Farming Assistance to Land Reform Beneficiaries	0 (new)	1	1	1	1	1	0.00	RLM Manager: LED, uMDM – Manager: Economic Development and Tourism UKZN (Foundation)	Signed Strategic Partnership Agreement	
		Number of emerging commercial farmers assisted		Number of cooperatives / Land Reform or Land Recap Beneficiaries assisted with access to technical farming and implements	0 (new)	10	20	30	40	50	RLM OPEX R20,000.00 uMDM OPEX R100,000.00		UKZN Operational Reports Offtake agreements concluded	
				Number of new emerging commercial farmers contributing to regional economy	0 (new)	10	20	30	40	50				
				Implementation: FPSU to respond to agri-processing wrt economic diversification and value-add throughout value-chain	Number of emerging commercial farmers given access to confirmed markets	0 (new)	TBD					R2,617,527.12 (proposed as per Urban Econ Report)	FPSU	FPSU Entity

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	5 Year Target						Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Develop and promote agricultural potential of	SG1 - CP2 – SDBIP Ref: LED 20: LED 21:	Protection and rehabilitation of agricultural resources	Implementation of Umngeni Resilience Project	Number of farmers supported	10	2	4	7	4	2	uMDM	RLM Manager: LED – uMDM Manager: Economic Development and Tourism	Umngeni Resilience Project Progress Reports
			Expand irrigation and water-efficiency	% of DARD and DRDLR projects implemented	Unknown	TBD					DARD and DRDLR		
Enhance sectoral development through trade and investment and business retention													
	Enhance value-adding and new investment		Revitalise extension services to provide support to commercial agricultural	Number of Strategic Partnerships signed with existing identified industry (e.g. Gateway Holdings, Baynesfield Estate, Katope, SAPPI, Mondli)	1	2	2	2	2	-	FPSU OPEX	RLM Manager: LED and identified stakeholders	Signed strategic partnerships to assist emerging commercial farmers
			Establishment of Business Incubation Centre as One-Stop-Shop	Number of Mentorship programmes conducted	New	2	3	3	4	4	RLM – OPEX, R60,000.00	RLM: Manager – LED	Attendance Registers
			Support job creation and retention prospects of firms	Review of EPWP Policy to provide for labour subsidy	New	5	10	10	15	25	RLM – EPWP R1,4m	RLM: Municipal Manager and Manager: LED	Labour Subsidy Agreements signed, Labour Reports from industry
			Implementation of Business Retention, Expansion and Attraction methods	Number of new businesses attracted to the area	1	2	2	2	2	2	RLM – OPEX	RLM: Municipal Manager through the Office of the Mayor and supported by Manager: LED	Partnership agreements signed
	Enhance special economic development		Release of Municipal Owned land for development	Number of municipal residential sites rezoned to commercial / special use	New	10	10	15	-	-	RLM – OPEX	RLM: Municipal Manager, Manager: Development and Planning and Manager: LED	Number of Sale Agreements concluded
			Implementation of Catalytic Projects	Value of funding obtained or directed to implement Catalytic projects	New	R1m	R2m	R5m	R10m	R10m	RLM – OPEX – R60,000.00		Business Plans developed and approved
			PPP	Number of PPP partners identified and PPP signed	New	1	1	1	1	1	As above		Advert wrt PPP, SCM Processes and Signed PPP

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator		5 Year Target					Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Improve the efficiency, innovation and variety and government-led job creation programmes		Cumulative Number of WO's created through CWP and EPWP	Implementation of EPWP and CWP	Number of CWP WO created and sustained	190	455	490	490	490	490	CoGTA – CWP	RLM Manager: LED – CoGTA and IA	Signed CWP Business Plan and Labour Reports
				Number of EPWP WO created and sustained	219	259	279	TBD	TBD	TBD	RLM EPWP	RLM Manager: LED	EPWP Reports (Labour and Quarterly in line with DORA compliance)
				Number of EPWP FTE's created and sustained	75	88	96	TBD	TBD	TBD			
		Expenditure of goods and services procured locally	Review of SCM Policy	Percentage RLM Budget spent on local procurement	20%	30 %	30 %	TBD	TBD	TBD	RLM OPEX – Entire	RLM Municipal Manager, CFO, Manager: LED	Reviewed SCM Policy to determine set aside targets in local procurement
			Sub-contracting to local contractors as a Condition of Tender	Percentage of each capital project spend directed to local contractors	20%	30 %	30 %	30 %	TBD	TBD	RLM CAPEX – MIG and other projects	RLM Municipal Manager, CFO, Manager: PMU and Manager: LED	Agreements between Contractor and Sub-contractor
			Emerging contractor development	Number of emerging contractors mentored and trained (SEDA, CIDB, NHRBC)	New	50	50	100	120	150	RLM – OPEX R50,000.00	RLM Manager: LED – strategic partners	Attendance registers, certificates with regulatory bodies
			Increase in number of jobs generated by SMME's and Cooperatives	New	10	10	20	20	25	Private Funding			

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator		5 Year Target					Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Promote SMME and Entrepreneurial Development		Sustain inclusive economic growth	Review of Informal Economy Policy	Number of CWP WO created and sustained	190	455	490	490	490	490	CoGTA – CWP	RLM Manager: LED – CoGTA and IA	Signed CWP Business Plan and Labour Reports
	Number of EPWP WO created and sustained			219	259	279	TBD	TBD	TBD	RLM EPWP	RLM Manager: LED	EPWP Reports (Labour and Quarterly in line with DORA compliance)	
	Number of EPWP FTE's created and sustained			75	88	96	TBD	TBD	TBD				

		Expenditure of goods and services procured locally	Review of SCM Policy	Percentage RLM Budget spent on local procurement	20%	30 %	30%	TBD	TB D	TB D	RLM OPEX – Entire	RLM – Municipal Manager, CFO, Manager: LED	Reviewed SCM Policy to determine set aside targets in local procurement
			Sub-contracting to local contractors as a Condition of Tender	Percentage of each capital project spend directed to local contractors	20%	30 %	30%	30%	TB D	TB D	RLM CAPEX – MIG and other projects	RLM – Municipal Manager, CFO, Manager: PMU and Manager: LED	Agreements between Contractor and Sub-contractor
			Emerging contractor development	Number of emerging contractors mentored and trained (SEDA, CIDB, NHRBC)	New	50	50	100	12 0	15 0	RLM – OPEX R50,000.00	RLM – Manager: LED and strategic partners	Attendance registers, certificates with regulatory bodies
				Increase in number of jobs generated by SMME’s and Cooperatives	New	10	10	20	20	25	Private Funding		
			Review and implement Informal Economy Policy	Value of municipal budget to support projects to support informal economy infrastructure development	R100,000.00	0.0 0	R200 k	R200 k	TB D	TB D	RLM – CAPEX	RLM – Municipal Manager, CFO and Manager LED	CAPEX Budget, Demand Management Plan
				Number of municipal officials capacitated to support the informal economy sector	1	2	2	2	TB D	TB D	RLM – OPEX		Actual positions filled
			Implementati on of Red Tape Reduction Strategies	Number of IE actors assisted with access to services, finance and trading permits	100	100	100	100	TB D	TB D			Informal Economy Policy, Trading permits issued

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	5 Year Target						Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Enhance the Knowledge		Enhance availability of technical training in municipal area	Partnership with TVET College to ensure Skills development in practical skills	Number of local youth receiving identified skills	New	0	150	180	230	TBD	TVET	RLM	Student Enrolment

			Establishment of Technical Trade School	Partnership Agreement with identified Trade School through SED programme of parastatal	New	0	1	0	1	0	SED – PARASTAL	RLM	Signed partnership and access to land
--	--	--	---	--	-----	---	---	---	---	---	----------------	-----	---------------------------------------

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	5 Year Target						Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Enhance the Knowledge Economy		Enhance availability of technical training in municipal area	Partnership with TVET College to ensure Skills development in practical skills	Number of local youth receiving identified skills	New	0	150	180	230	TBD	TVET	RLM	Student Enrolment
			Establishment of Technical Trade School	Partnership Agreement with identified Trade School through SED programme of parastatal	New	0	1	0	1	0	SED – PARASTAL	RLM	Signed partnership and access to land

7.2 STRATEGIC GOAL 2: HUMAN RESOURCE DEVELOPMENT

Objective e	Obj Ref	Intervention s	Strategies / Projects	Performanc e Indicator	Baselin e (16/17)	5 Year Target					Budget and Source	Responsibilit y in LM	Evidence
					Yr 1	Yr 2	Yr 3	Yr 4	Yr 5				
Improve Early Childhood Development, Primary and Secondary Education		Develop and implement programme to support school programmes	Underpinning importance of education amongst parents and the continuous involvement of parents in school system	Number of back to school programmes	2 (per annum)	2	2	2	2	2	RLM – OPEX, DSD, DOE	RLM – HW the Mayor, LED and Community Services (Youth)	Attendance Registers for campaigns and sustained enrolment throughout year
			Number of children with special needs and “at risk” children whose educational needs being catered for	9	1 5	1 8	2 0	2 5	30	RLM – CWP and EPWP	RLM – MM, LED	Number of caregivers engaged through EPWP and CWP	
		Counselling and career and social guidance at schools	Number of Career Expo's hosted	Number School “Open Days” and Career Expo	1 per year	1	1	1	1	1	RLM, DOE	RLM and OSS Stakeholders	Number of events and number of children enrolled in higher learning institutions
			Minimise drop- out rate of learners in the system incl focus on girl child challenges	Number of Teenage Pregnancy Campaigns	1 per year	1	1	1	1	1	RLM and identified stakeholder s		Number of events held and number of challenges cascaded to applicable NGO's or structures
				Number of Substance Abuse Campaigns	1 per year	1	1	1	1	1			RLM and SRSA
				Partnership with SRSA for sports massificatio n programme	New	1 7	1 7	1 7	1 7	17			

Support skills alignment to economic growth		Skills development for informal sector, township and rural economies	Improve skills development planning and implementation	Adopted Youth Development Strategy in line with KZN HRD Strategy and Youth Accord	New	1	1	1	1	1	RLM	RLM: LED and Community Services	Signed Youth Development Strategy
				Number of Youth participating in Youth Bursary programme	New	10	10	20	20	30	RLM OPEX		Enrolment with institutions of higher learning
				Partnership with Rhd TVET College and post school institutions to inform curricular	New	1	2	2	3	TBD	RLM		Signed partnership agreement
				Signed partnerships with SETAs for identified skills provision	New	1	8	10	10	TBD	RLM		Signed partnership agreements and number of persons trained
				Database as a result of skills audit	New	1	1	1	1	1	RLM		Approved Database informing TVET Curricula
			Enhance opportunities for Youth to obtain employment	Database of graduates for employers to access	New	1	1	1	1	1	RLM		Number of accessed from database to receive gainful employment

7.3 STRATEGIC GOAL 3: HUMAN AND COMMUNITY DEVELOPMENT

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	Baseline (16/17)	5 Year Target					Budget and Source	Responsibility in LM	Evidence
Eradicate poverty and improve social welfare		Promote and accelerate roll-out of Sakuma Sakhe	Monitoring and Evaluation of impact of Poverty Eradication Master Plan and Sukuma Sakhe	Number of Ward Based Plans adopted	TBD	7	7	7	7	7	RLM and OSS	Development and Planning, Community Services and other dept units	Adopted Ward Based Plans
				Number of Operation Mbo's conducted	TBD	14	14	14	14	14			Actual campaigns held
				Number of indigent households assisted	New	20	30	50	100	200			Reduced number of households living below poverty line
				Number of community gardens established	100	100	200	250	210	TBD	RLM – EPWP, DARD	RLM _ LED	Number of community gardens established
Enhance the health of		Implementation of 90-90-90 strategy for HIV; AIDS; TB and Non-communicable diseases	Develop 90-90-90 Strategy	Hosting of World Food Day	1	1	1	1	1	TBD	RLM and uMDM	Community Services	Attendance register
				Number of Awareness campaigns hosted	1	1	1	1	1	TBD	RLM and uMDM	Community Services	Attendance register

				Number of AIDS/HIV free testing campaigns hosted	1	1	1	1	1	TB D	RLM and uMDM	Community Services	Attendance register
Safeguard and enhance sustainable livelihoods and food security		Facilities for local markets, production/processing and retail facilities	Adequate management of Retail Market Unit	Number of units occupied	14	14	14	14	14	14	RLM and identified stakeholders	RLM LED	Number of lease agreements in place
			Increase packaging, provision of logistics, storage and processing	Partnership agreement for packaging, storage and processing	New	2	2	2	2	2			Actual partnership agreement
				Establishment and support to logistics cooperative	New	1	1	1	1	TB D			
				Partner with ADA for establishment of Packhouse (see FPSU)	New	1	1	1	1	1			
				Access to markets and signature of off take agreements	New	1	1	1	1	1			

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	Baseline (16/17)	5 Year Target					Budget and Source	Responsibility in LM	Evidence
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Promote sustainable Human Settlements		Improve number of households with registrable form of tenure	Relocation of Bhongoza Informal Settlement	Survey of Bhongoza to determine actual number of beneficiaries	New	TB D	TB D	-	-	-	RLM and DHS	Development and Planning, Community Services, LED and other dept units DHS	Actual survey undertaken and submitted to DHS for verification
				Number of Housing Units constructed for the relocation of the informal settlement	TBD	TB D	TB D	-	-	-			Number of title deeds issued
			Implementation of Housing Projects	Argosy Farm	TBD	TB D	TB D	TB D	-	-			Number of units constructed and title deeds issued
				Siyathuthuka Phase 2	TBD	TB D	TB D	-	-	-			
Enhance the health of communities and			Inhlazuka Housing Project		TBD	TB D	TB D	TB D			RLM and DHS	RLM LED, Community, Protection, Disaster	Adopted Strategy with budget allocated
			Address housing shortages and eliminate "back-yard living"	Middle Income Housing	New	190	190	190	-	-			
Enhance Safety and Security		Implementation of Community Safety and Security Measures	Community Safety and Security Strategy	Development and Implementation of Strategy	New	1	1	1	1	1	RLM – OPEX	Dept of Comm Safety and Security	

				Number of Road Safety Campaigns	3 per year	3	3	3	3	3	RLM, RTI	RLM Protection Services and RTI	Number of fines / vehicles impounded
				Men against Abuse Campaign	New	TB D	TB D	TB D	TB D	TB D	RLM	RLM Community Services	Actual Number of campaigns
				Monitor success of CPFs	New	TB D	TB D	TB D	TB D	TB D	RLM	RLM, SAPS, Community Services	TBD
				Establish Agricultural Forum to address livestock theft, vaccination of animals, etc	New	1	1	1	1	1	RLM	RLM, DARD, DRDLR	Attendance register, minutes, registers of vaccination
				Number of victim empowerment campaigns	New	TB D	TB D	TB D	TB D	TB D	RLM	RLM Community Services	Actual Number of campaigns
				Scholar Patrol Programme	13 schools	13	13	13	20	20	RLM – EPWP		Attendance Registers of EPWP Scholar Patrol Beneficiaries

Objective e	Obj Ref	Intervention s	Strategies / Projects	Performance Indicator	Baselin e (16/17)	5 Year Target					Budge t and Source	Responsibilit y in LM	Evidence
					Yr 1	Yr 2	Yr 3	Yr 4	Yr 5				
Advance social cohesion and social capital		Moral Regeneration Strategy	Developmen t of Strategy	Number of industry- orientated arts and culture and sports programmes implemente d	New	TB D	TB D	-	-	-	RLM OPEX	RLM Community Services	Number of programmes
				Number of strategic partnerships with NGOs	NEW	TB D	TB D	-	-	-			Number of partnerships signed
Promote youth, gender and disability advocacy and the advancement of youth		Targeted Sectors Developmen t Strategy	Developmen t of Strategy	Number of persons from targeted sectors given access to employment opportunitie s	New	TB D	TB D	TB D	TB D	TB D		RLM Community and LED	Number of persons given access to opportunitie s
				Ward Committees capacitated to understand participatory programme	New	TB D	TB D	TB D	TB D	TB D		RLM Community and Corporate	Number of capacity training programmes held

7.4 STRATEGIC GOAL 4: STRATEGIC INFRASTRUCTURE DEVELOPMENT

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator		5 Year Target					Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			

					7)								
Develop Road Networks		Implement road-building and maintenance programmes and improve rural accessibility	Update and implement Integrated Public Transport services applicable to Richmond	Adopted Infrastruct ure and Maintenan ce Strategy	New	1	1	1	1	1	RLM – OPEX	Technical Services and DOT	Adopted Strategy
				Number of kilometres of road providing access to communities	TBD	TBD	TBD	TBD	TBD	TBD	RLM – CAPEX (MIG) and OPEX (Maintenance)	Technical Services	Number of kms of roads constructed and maintained
			Minimum secondary road network and extend rural road access	Number of Rural Roads and Passages Maintained	TBD	4km per ward					RLM – OPEX		
		Improve public transport	Partnership with Taxi Associations to take advantage of DOT National Programme	Safer Public Transport with reduced number of accidents	TBD	10	10	15	10	10	DOT – National Govt	Technical and Community Services	Number of Operators give access to funding for new transport assets
					TBD	TBD	TBD	TBD	TBD	TBD			% reduction in accidents reported
Develop ICT Infrastructure		Expand Community Access to broadband services	Develop Broadband Strategy and Implementation Plan	Adopted Strategy and Implementation Plan	New	1 plan adopted	1 plan reviewed	1 plan reviewed	1 plan reviewed	1 plan reviewed	RLM Opex	Corporate Services	Adopted Strategy with funded Implementation Plan
				Reduction in average cost of data per megabyte	New	TBD	TBD	TBD	TBD	TBD	As above		Reduced cost
			Facilitate Access of Provincial Broadband interventions for local benefit	Number of households that penetrate the internet	New	5%	20%	40%	60%	70%	Provincial Government	Corporate Services	Increased access to internet
			Expand the number of public Wi-Fi hotspots	Number of schools connected	New	TBD	TBD	TBD	TBD	TBD	As above	As above	
				Number of health facilities connected	New	TBD	TBD	TBD	TBD	TBD	As above	As above	
			Facilitate access to increased bandwidth for economic competitiveness	Number of public Wi-Fi hotspots	New	TBD	TBD	TBD	TBD	TBD	As above	As above	
Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator		5 Year Target					Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Ensure availability and		Research and promote skills development for more localised water harvesting	Facilitate extension of uMDM Water Sector Investment Strategy with focus on rural areas	% households with access to potable drinking water, within 200m of dwelling	New	TBD	TBD	TBD	TBD	TBD	uMDM	Technical Services	Sufficient water is available for growth and development needs

		where communities can store water	Develop and implement water harvesting methodologies (JoJo tanks)	% households with access to 75 litres of water per person per day	New	TBD	TBD	TBD	TBD	TBD	uMDM	Technical Services	% increase in access to water for livelihood sustainability
		Restoration and sustainable management of water catchment areas (CWP)	Implementation of Working for Water programme throughout RLM	% of water catchment areas cleared	New	TBD	TBD	TBD	TBD	TBD	uMDM	Technical Services	% reduction of water demand
		Determination and maintenance of the ecological reserve for key rivers and dams			New	TBD	TBD	TBD	TBD	TBD	uMDM	Technical Services	
Ensure access to affordable, reliable, sustainable and modern energy for all		Develop and implement an Integrated Energy Sector Plan	Electrification Projects in determined wards	Number of households with access to electricity	TBD	TBD	TBD	TBD	TBD	TBD	DOE	Technical Services	
		Alignment of Renewable Energy Plan to District and Provincial Energy Strategy	Implementation of Solar Street Lights Project	Number of solar street lights established	New	1000	1000	2000	2000	3000	DOE and R20 – European Union	Technical Services and LED Unit	Number of solar street and high mast lights
			Implementation of Solar Water Geysers	Number of Households provided with solar water geysers	New	500	500	500	1000	1000	DOE	Technical Services and LED Unit	Number of solar water geysers installed
		Programme and funding for operations and maintenance	Regular maintenance of lighting and geysers	Number of units maintained	New	TBD	TBD	TBD	TBD	TBD	RLM	Technical Services	Number of units maintained
			Support to Emerging enterprise for maintenance of units	Number of work opportunities created	New	TBD	TBD	TBD	TBD	TBD	RLM	Technical Services and LED Unit	Number of work opportunities per annum

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	Baseline (16/17)	5 Year Target					Budget and Source	Responsibility in LM	Evidence
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Enhance Waste Management capacity		Develop and implement Integrated Waste Management Plan	TBD	TBD	New	TBD	TBD	TBD	TBD	TBD	RLM and uMDM	Technical Services	TBD
		Municipal capacity building in waste and environmental management	TBD	TBD	New	TBD	TBD	TBD	TBD	TBD			

7.5 STRATEGIC GOAL 5: ENVIRONMENTAL SUSTAINABILITY

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	Baseline (16/17)	5 Year Target					Budget and Source	Responsibility in LM	Evidence
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Enhance Resilience of Ecosystems		Promote sustainable land use practises to preserve and enhance agricultural potential	Develop annual environmental implementation and management plans	% of land rehabilitated annually	New	TBD	TBD	TBD	TBD	TBD	Agriculture and Environmental Affairs	TBD	TBD
		Incentives for sustainable agriculture land management practices must be within acceptable norms and standards	Awareness campaigns	Licensing, upgrading and monitoring of wastewater treatment works	New	TBD	TBD	TBD	TBD	TBD	Agriculture and Environmental Affairs	TBD	TBD
		Sustainability objectives and criteria must be integrated into all relevant policies, programmes and plans	Development of relevant policy	Number of compliance inspections conducted	New	TBD	TBD	TBD	TBD	TBD	Agriculture and Environmental Affairs	TBD	TBD
		Land use management must be integrated and coordinated through cooperative structures and strategies	A community based natural resource management strategy must be developed and implemented	% of agricultural land use practises promoted	New	TBD	TBD	TBD	TBD	TBD	Agriculture and Environmental Affairs	TBD	TBD
Expand application of green technologies		Develop and implement Renewable Energy Action Plan	Implementation of renewable energy projects	% Biomass collected for energy renewal	New	TBD	TBD	TBD	TBD	TBD	TBD	TBD	Volume of biomass for gasification
				Units of energy produced through alternative energy	New	TBD	TBD	TBD	TBD	TBD	TBD	TBD	Units of energy sold to alleviate demand

Objective	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	Baseline (16/17)	5 Year Target					Budget and Source	Responsibility in LM	Evidence
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Adapt to Climate Change		Climate change policy, planning and monitoring	Review Disaster Management Plan	Disaster Management Plan to be all inclusive in respect to climate change	To be reviewed	1	1	1	1	1	RLM	Community Services	Adopted Disaster Management Plan incl of Climate change

		Enhance disaster management planning and monitoring	Implementatio n of Disaster Management Plan	Reduced % of events due to early warning systems	New	TB D	TB D	TB D	TB D	TB D	RLM		% of events with early warning systems, where affected parties received prior warning
				Average time taken to respond to disaster events	New	TB D	TB D	TB D	TB D	TB D	RLM		TBD
			Implementatio n of Umgeni Resilience Project	% agricultural projects implementin g climate resistant methodologies	New	10	10	23	28	30	RLM and uMDM Umgeni Resilienc e Project	LED	Number of agricultural projects resistant to climate change
Working towards a green economy		Develop and implement a Green Economy Strategy	Implement skills development in green economy	Number of community trained in green economy methodologies	New	10	10	10	10	10	RLM	Corporate and LED	Number of persons trained
				Number of persons engaged in green economy	New	10	10	10	10	10	RLM	Corporate and LED	Number of persons employed
			Establish investment incentives to support green industries	% Incentives determined	New	TB D	TB D	TB D	TB D	TB D	RLM	Finance and LED	% incentives awarded

7.6 STRATEGIC GOAL 6: GOVERNANCE AND POLICY

Objective	Obj Ref	Interventi ons	Strategies / Projects	Performanc e Indicator	Baseli ne (16/1 7)	5 Year Target					Budget and Source	Responsib ility in LM	Evidence
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Strengthen Policy, Strategy and Coordination and IGR		Develop inventory of Policy instruments and a strategy alignment framework	Alignment of LGDS and IDP to PGDS	Successful rating of IDP and LGDS as a percentage	New	60	65	75	80	85	RLM	Developm ent and Planning and LED	MEC Letter
			Strengthen effectiveness of OSS and IGR	Functionality of OSS	New	12 meetings	12 meetings	12 meetings	12 meetings	12 meetings	RLM and Sector Departments	All – led by Community Services	Number of OSS meetings, Operation Mbo
			Develop Integrated Funding and Implementation Management Framework for various funding sources	% budget spent on implementation of IDP and LGDS	New	TBD	TBD	TBD	TBD	TBD	RLM and sector departments	ALL	Number of catalytic projects implemented
			Functionality of uMDM EPWP Forum, LIEC, DIEC, PIEC	Number of reports to Manco	4 per forum	4	4	4	4	4	RLM	LED	Number of reports to Manco on functionality of Fora

			Develop and implement Red Tape Reduction	% of development applications that meet time norms for processing	New	100%	100%	100%	100%	100%	RLM	Development and Planning	Turn-around time to consider applications
				% of Business License applications that meet time norms for processing	New	100%	100%	100%	100%	100%	RLM	LED	Turn-around time to consider applications

Objective	Obj Ref	Intervention s	Strategies / Projects	Performance Indicator	Baseline (16/17)	5 Year Target					Budget and Source	Responsibility in LM	Evidence
						Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Build Government Capacity		Develop an integrated HRD and professional support programme for the public sector	Develop and Adopt Strategy	Adopted Strategy	1	1	1	1	1	1	RLM	Corporate Services	Adopted Strategy
			Reviewed Staff Bursary with qualifications levels to a PhD	Adopted Bursary Policy	1	1	1	1	1	1	RLM		Adopted Policy
				Number of staff benefiting from reviewed policy	10	15	15	30	45	50	RLM		Statement of Results from staff
			Fully funded organogram	% reduction in vacancies	TBD	10 %	10 %	10 %	20 %	30 %	RLM		Fully fledged organogram with Nil vacancies
				Clean Audit obtained	0	1	1	1	1	1	RLM	MM and HoDS	
			Alignment of SDBIP with LGDS	% of LGDS interventions to staff performance agreements	New	4	5	5	5	5	RLM	MM	% of LGDS implemented
				% Business Plans approved for conditional funding	4	6	9	14	11	-	RLM and Sector Departments	LED	% business plans approved
Eradicate Fraud and Corruption		% reduction in audit disclaimers and qualifications	Develop and implement Fraud and Corruption Strategy	Fast-track disciplinary processes and effective criminal prosecution	New	TBD	TBD	TBD	TBD	TBD	RLM	MM and Corporate	% of cases effectively addressed
				Implement proactive integrity management programmes	New	TBD	TBD	TBD	TBD	TBD	RLM	MM and Corporate	Number of programmes implemented
Promote		Improve relationship and stakeholder	Citizens Participation	Adopt Citizens Participation Charter	1	1	1	1	1	1	RLM	Corporate Services	Adopted Citizens Participation Charter

		managem nt between spheres of government , traditional authorities, private sector and community	Establishme nt of Municipal Wide LED Forum	Adopted and functional Forum	1	1	1	1	1	1	RLM and Stakeholder s	HW the Mayor and LED	Functional Forum
				Number of PPP Concluded	0	1	1	1	-	-	RLM and stakeholder	MM and LED	Signed PPP's with committed funding
			Ward Committee system functional	Number of functional Ward Committees	7	7	7	7	7	7	RLM	Honourable Speaker and Corporate Services	Number of reports to Council

7.7 STRATEGIC GOAL 7: SPATIAL EQUITY

Objecti ve	Obj Ref	Interventions	Strategies / Projects	Performance Indicator	5 Year Target						Budget and Source	Responsibility in LM	Evidence
					Baseline (16/17)	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5			
Enhance the resilience of new and existing cities, towns and rural nodes ensuring equitable access to resources, social and economic		Develop, implement and monitor Densification Strategy	Review SDF	Established hierarchy of nodes with clearly defined functions and interventions per node							RLM and COGTA	Development and Planning and LED unit	
				Develop Precinct Plans	2	3	3	-	-	-			Approved funding for plans
			Formulate Catalytic project interventions	Develop, implement and monitor Catalytic project interventions	1	1	1	1	1	1			Approved funding and project implementation
				Number of strategic nodes that have been formalised	New	TBD	TBD	TBD	TBD	TBD			% increase of population density in designated development areas
Ensure integrated Land Use Management use, ensuring equitable access to roads and services and attracting		Implementation of LUMS and Wall-to-Wall Schemes	Formulation of Land Reform Areas Based Plans	Number of Land Reform Area based plans formulated	New	TBD	TBD	TBD	TBD	TBD	RLM		% funding approved wrt Recap / Reform
			Development and Implementation of Ward based plans	Number of plans development and implemented	New	TBD	TBD	TBD	TBD	TBD	RLM		Number of plans funded
		Ensure functionality and Development and Planning Unit	SDF aligned with PSDF	Improved alignment for integrated planning	100%	100%	100%	100%	100%	100%	RLM	Development and Planning	% alignment
			Shared Service with uMDM for functional GIS	Improved evidence based decision making	New	TBD	TBD	TBD	TBD	TBD	RLM and Umdm		% improvement

CHAPTER 6:

FINANCIAL PLAN

17 FINANCIAL PLAN

17.1 MUNICIPAL BUDGET OVERVIEW

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on noncore and „nice to have“ items.

It is about sticking to our plans despite challenging circumstances. The municipality's aim is to eliminate wasteful spending and reduce it on non-critical items so as to sustain service delivery and maintain strong public finances.

The Municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers by implementing the debt collection and credit control policy as well as the implementation of the approved revenue enhancement strategy.

National Treasury's MFMA Circular No. 51,54, 55,57,58,59,66,67,70,72, 74, 75,78,79,82,85, 86, 89, 90 and 91 were used to guide the compilation of the 2017/18 MTREF.

The main challenges experienced during the compilation of the 2018/19 MTREF can be summarised as follows:

- The ongoing difficulties in the national and local economy;
- Aging and poorly maintained roads and other infrastructure assets;
- The need to reprioritise projects and expenditure within the existing resource envelope given the available sources of funding;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies which makes it difficult to maintain the

salaries budget within the acceptable norm as a percentage of the total operating budget; and

- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year’s capital investments needed to be factored into the budget as part of the 2018/19 MTREF process.

The following budget principles and guidelines directly informed the compilation of the 2018/19 MTREF:

- The 2017/18 Adjustments Budget priorities and targets;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act; and
- Local Government budget and Financial reforms: Regulation of a “Standard Chart of Accounts’ (SCOA) for local government.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2018/19 Medium-term Revenue and Expenditure Framework:

Table 1: Consolidated Overview of the 2018/19 MTREF

R thousand	Adjustment Budget 2017/18	Budget Year 2018/19	Budget Year+1 2019/20	Budget Year+2 2020/21
Total Operating Revenue	97 747	103 545	103 686	111 351
Total Operating Expenditure	119 402	124 460	126 494	134 084

Surplus / (Deficit) for the year	-21 655	-20 914	-22 807	-22 733
Total Capital Expenditure	22 679	25 389	17 520	18 290

Total operating revenue has increased by 5 per cent or R4, 9 million for the 2018/19 financial year when compared to the 2017/18 Adjustments Budget. For the two outer years, operational revenue will increase by 1. 5 and 9 per cent respectively, equating to a total revenue growth of R9, 2 million over the MTREF when compared to the 2017/18 financial year.

Total operating expenditure for the 2018/19 financial year has been appropriated at R124, 4 million and translates into a budgeted deficit of R21, 7 million. When compared to the 2017/18 Adjustments Budget, operational expenditure has increased by, 6 per cent in the 2018/19 budget and increased by 6,6 and 13 per cent for each of the respective outer years of the MTREF. The operating deficit for the two outer years increases to R23.6 million in 2019/2020 and R23.6 million in 2020/2021.

The capital budget of R 25 million for 2018/19 is 11 per cent more when compared to the 2017/18 Adjustment Budget. The increase is due to council attending to various roads projects identified by the community. The capital programme decreases to R 17.5 million in the 2019/20 financial year and increases to R18.2 million in the 2020/2021 financial year. A substantial portion of the capital budget will be funded from government grants (MIG). The balance will be funded from internally generated funds.

1.4 Operating Revenue Framework

The municipality's revenue strategy is built around the following key components;

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management which aims to ensure a 80% percent annual collection rate for rates and other service charges;
- The municipality's Property Rates Policy approved in terms of the Municipal Property rates Act, 2004 (Act 6 of 2004)(MPRA);
- Increase ability to extend new services and recovers costs;
- The municipality's Indigent Policy and rendering of Free Basic Services;

- The Tariff Policy of the municipality;

Management have further adopted a conservative approach when projecting revenue and cash receipts. Council has also carefully considered the affordability of tariff increases, especially as it relates to domestic consumers whilst considering the level of service versus the associated cost. Particular attention was paid to managing revenue effectively and evaluating all spending decisions.

Table 2: The following table is a summary of the 2018/19 MTREF (classified by main revenue source):

<u>Description</u>	<u>Current Year 2017/18</u>	<u>2018/19 Medium Term Revenue & Expenditure Framework</u>		
<u>R thousand</u>	<u>Adjusted Budget</u>	<u>Budget Year 2018/19</u>	<u>Budget Year +1 2019/20</u>	<u>Budget Year +2 2020/21</u>
<u>Revenue By Source</u>	-	-	-	-
Property rates	15,040,008	16 040 000	15,942,408	16,898,951
Service charges - refuse revenue	1,070,004	1,136,000	1,204,160	1,276,410
Rental of facilities and equipment	3,345,708	940 000	984 000	1 043 000
Interest earned - external investments	3,079,996	3,040,000	3,224,200	3,416,452
Interest earned - outstanding debtors	69,996	30,000	32,100	34,326
Fines, penalties and forfeits	1,255,000	1,290,000	1,367,300	1,449,118
Licences and permits	896,752	710,000	329,400	348,564
Transfers and subsidies	72,553,000	80,006,450	80,231,100	86,490,650
Other revenue	436,992	352,000	373,120	396,507
Gains on disposal of PPE	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	97,747,456	103,545,558	103,686,774	111,351,543

Table 3: Percentage growth in revenue by main revenue source

<u>Description</u>	<u>Adjusted Budget 2017/18</u>	<u>%</u>	<u>Budget Year 2018/19</u>	<u>%</u>
<u>Revenue By Source</u>	-	-	-	
Property rates	15,040,008	15%	16,040,008	16%
Service charges - refuse revenue	1,070,004	1%	1,136,000	1%
Rental of facilities and equipment	3,345,708	3%	940 000	1%
Interest earned - external investments	3,079,996	3%	3,040,000	3%
Interest earned - outstanding debtors	69,996	0%	30,000	0%
Fines, penalties and forfeits	1,255,000	1%	1,290,000	1%
Licences and permits	896,752	1%	710,000	1%
Transfers and subsidies	72,553,000	74%	80,006,450	77%
Other revenue	436,992	0%	352,000	0%
Gains on disposal of PPE	-		-	
Total Revenue (excluding capital transfers and contributions)	97,747,456		103 545 558	

In line with the formats prescribed by the Municipal Budget and Reporting regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus / deficit.

Revenue generated from rates and service charges forms 16 per cent of the revenue basket of the municipality. Operating grants and transfers totals R 80,0 million.

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality. National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. The municipality has provisionally increased certain rate categories and domestic refuse charges by 6% and all other service charges by 6%.

1.4.1 Property Rates

In accordance with Section 32 (1) of the Municipal Property rates Act No. 6 of 2004, the municipality had compiled a new valuation roll effective 1 July 2017. 2018/2019 Would be the second year of implementation of the new valuation roll.

Property rates contribute towards covering the costs of the provision of general services. National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the MPRA, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the municipality has been amended accordingly.

The tariffs have not been increased for certain categories and increased by 6 per cent in other categories.

The Property Rates Policy has been amended in order to implement the provisions of Section 93A of the Municipal Property Rates Amendment Act, 2014 (MPRA) on Transitional arrangement: Public Service Infrastructure; which states: -

- *(1) The prohibition on the levying of rates on public service infrastructure referred to in section 17(1)(a)(A) must be phased in over a period of five municipal financial years, with effect from the date of commencement of this Act.*
- *(2) The rates levied on property referred to in subsection (1) must-*
 - (a) In the first year, be no more than 80 per cent of the rate for that year otherwise applicable to that property;*
 - (b) In the second year, be no more than 60 per cent of the rate for that year otherwise applicable to that property;*
 - (c) In the third year, be no more than 40 per cent of the rate for that year otherwise applicable to that property;*
 - (d) In the fourth year be no more than 20 per cent of the rate for that year otherwise applicable to the property; and*
 - (e) In the fifth year, be no more than 10 per cent of the rate for that year otherwise applicable to that property*

The following stipulations in the Property Rates Policy are highlighted:

- The first R 15 000 of the market value of a residential property is excluded from the rateable value (Section 17h of the MPRA). In addition to this rebate, a further R 35 000 reduction on the market value of a residential property will be granted in terms of the municipality's property rates policy;
- Rebates will be granted to registered indigents in terms of the Indigent Policy;
- For the aged a maximum rebate of 80 per cent will be granted to the owners of residential rateable property. In this regard the following stipulations are relevant:
 - The rateable property concerned must be occupied only by the applicant and his/her spouse, if any. (Other stipulations are contained in the policy)
- The municipality may grant a 100 per cent grant-in-aid on the assessment rates of rateable properties of certain classes such as registered welfare organisations provided they are registered and comply with the requirements as referred to in the Property rates Policy.
- PSI will be paying 20 per cent of rates for the 2018/2019 financial year in terms of Section 93A.

- The First R200 000 of the market value of a residential property will be excluded from the rateable value.

Table 4: Comparison of the proposed rates to be levied for the 2018/2019 financial year

Category	Current Tariff (1 July 2017)	Proposed Tariff (from 1 July 2018)	% Increase	Rate Ratio
	c	c		
RESIDENTIAL	0.0072645	0.0072645	0%	1
BUSINESS,COMMERCIAL AND INDUSTRIAL	0.0146662	0.0146662	0%	2
VACANT LAND	0.0231011	0.0231011	0%	3
AGRICULTURAL	0.0018161	0.0018161	0%	0.25
PUBLIC SERVICE PURPOSES	0.0155461	0.0164789	6%	2
PUBLIC SERVICE INFRASTRUCTURE	0.0018161	0.0018161	0%	0.25
PUBLIC BENEFIT ORGANISATION	0.0018161	0.0018161	0%	0.25
UNAUTHORISED USE	0.0231011	0.0244871	6%	3
OTHER	0.0045143	0.0047851	6%	0.52

1.4.2 Refuse Removal

Currently waste removal is operating at a deficit. It is widely accepted that the rendering of this service should at least break even, which is currently not the case. The municipality will have to implement a solid waste strategy to ensure that this service can be rendered in a sustainable manner over the medium to long term. The municipality has therefore reviewed the tariffs in respect of commercial users and attempted to apply an increase that would

address this issue. Further to the above the tariff charge will be raised per unit and not per property.

A 6 per cent increase in the waste removal tariff for domestic and commercial users is proposed from 1 July 2018. Currently indigent residential consumers are subsidised in full for refuse removal.

Table 5: Comparison between current refuse removal fees and increases

	CURRENT TARIFFS 2017/18	PROPOSED TARIFFS 2018/19	% INCREASE
Refuse removal residential once a week	42,72	45.28	6 %
Refuse – Residential complex	625.00	662.50	6 %
Commercial twice a week	322,89	342.26	6 %
Commercial five times a week	1250,00	1325.00	6 %
Commercial bulk	2500,00	2 650.00	6 %
Commercial daily	3000,00	3180.00	6 %

1.4.3 Transfers recognised- operational

Transfers recognised operational contributes to 78 per cent of the total operating income of the municipality.

The municipality needs to investigate other sources of revenue through updating and reviewing its revenue enhancement strategy. Raising income continues to be a challenge for the municipality as we do not render services such as water , sanitation or electricity.

The municipality has also taken cognisance of the fact that its tariffs are not cost reflective and would need to align tariffs accordingly.

1.4.4 Other income

Other income has been increased per the request of department heads and has been aligned to the 2017/2018 forecast.

1.5 Operating Expenditure Framework

The municipality's expenditure framework for the 2018/19 budget and MTREF is informed by the following;

- The asset management plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash backed reserves to fund any deficit;
- Funding of the budget over the medium term as informed by Section 18 and 19 of the MFMA.

Table 6: The following table is a high level summary of the 2018/19 budget (classified per main type of operating expenditure);

<u>Description</u>	Adjusted Budget 2017/2018	%	Budget 2018/2019	%
Employee related costs	44,131	37%	49 611	40%
Remuneration of councillors	5,494	5%	5 877	5%
Debt impairment	2,317	2%	2 012	2%
Depreciation & asset impairment	19,310	16%	19 371	16%
Finance charges	18	0%	30	0%
Other materials	3,521	3%	6 508	5%
Contracted services	30,068	25%	28 530	23%
Transfers and subsidies	1,533	1%	900	1%
Other expenditure		11%	11 619	9%

	13,010			
Loss on disposal of PPE	–		–	0%
Total Expenditure	119,402		124 460	

1.5.1 Employee Related Costs

The budgeted allocation for employee related costs for the 2018/19 financial year totals R 46, 9 million, which equals 39 per cent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 7.05 per cent for the 2018/19 financial year. An annual increase of 6 per cent has been included for the 2019/2020 financial year and 6 per cent for the 2020/2021 financial year. The current wage negotiation has not been concluded. A 7 per cent increase has however been accepted by SALGA and IMATU. The budget has also been drawn up taking into account the budgeting for applicable annual notch increases.

Richmond Municipality still awaits the results of the job evaluation. This has also been factored into the draft budget. The municipality has thus provided a 0.05 per cent in terms of job evaluation.

The following posts have been incorporated into the budget: -

- 1 x Internal Audit Manager
- 1 x Risk and Compliance Manager
- 1 x Asset clerk (previously budgeted for through FMG as a contract)
- 1 x SCM Practitioner (Contract management)

There appears to be a vast increase compared to the adjustment budget against salaries, however this is largely due to resignations/ death or vacant positions during the 2017/2018 financial year. We budget for a full year for all approved positions.

IN addition, expenditure against overtime was significantly reduced, with provisions against this budget item only being provided for emergency services and other critical functions. Essential services departments are expected to introduce the “Shift System” to curb overtime and ensure compliance with relevant legislation.

The budgeted salaries for Senior Managers have increased when compared to the 2018/2019 financial year.

All Senior Management positions have been budgeted for a full year in 2018/2019 at a 6 per cent increment. Further to the above and analysing the trend and historical performance it is evident that performance bonuses had not been paid out to any senior manager for the past 3 years. Performance bonuses have been budgeted in terms of the Local Government Municipal Performance regulations; however, affordability would be assessed during the adjustment process as required by regulation 32.

The municipality understands that sustainable job creation remains a national priority and in drafting the 2018/2019 budget and MTREFs, the municipality has explored opportunities to promote labour intensive approaches to delivering services, and more particularly to participate fully in the Expanded Public Works Programme.

1.5.2 Remuneration of Councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 6 per cent increase has been factored into the budget for the 2018/19 financial year.

The municipality is legislated to have a full-time mayor, full time speaker, full time deputy mayor, part time member of the executive committee and part time councillors. The positions of full-time speaker and deputy mayor was gazetted and effective from April 2018. The 2017/2018 actual would therefore not have actuals for these positions for the entire financial year.

1.5.3 Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R19, 6 million for the 2018/19 financial year and equates to 16 per cent of the total operating expenditure.

1.5.4 Finance Charges

The finance charges budgeted for under Table A4 relates to bank charges and finance charges on the lease of Photocopiers. The tender for photocopiers was advertised and will be awarded by 1 July 2018, however, this will not be recognised as a finance lease going forward.

1.5.5 Debt Impairment

The municipality has budgeted for a collection rate of 90 per cent. An additional provision of R2. 0 million has been towards debt impairment. This provision would be reviewed during the adjustment budget.

The collection rate on average for rates is 81 per cent however we have implemented strict debt collection mechanisms to increase this percentage. We are therefore confident that we will improve to 90 per cent. Further to the aforementioned it must be noted that rates has a 30-year prescription and the municipality does not write-off rates. A property may be sold in lieu of outstanding rates. On average the collection rate on refuse between 75 per cent and 80 per cent. A provision has also been made for the impairment of Traffic Fines.

1.5.6 Contracted Services

In the 2017/18 financial year, contracted services totals R28, 5 million and has increased 46 per cent. This is due in the main to annual increases by service providers as well as the introduction of operational costs arising from previous year's infrastructure projects. Further to the aforementioned and with the introduction of mSCOA more expenditure items have been classified as contracted services. Further details relating to contracted services can be seen in SA1.

1.5.7 General Expenditure

General expenditure comprises various line items relating to the daily operations of the municipality. This group of expenditure has been identified as an area in which cost savings and efficiencies can be achieved. General expenditure totals R11.6 million in the 2018/19 financial year and has increased by 16 per cent when compared the revised 2017/2018 adjustment budget.

In order to improve its sustainability, the municipality has adopted routine business practices in the day to day running of the municipality and has also implemented cost containment measures to eliminate wastage during the provision of services. The municipality understands that expenditure management is fundamental to the sustainability of the municipality.

1.5.8 Repairs and Maintenance

In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. During the compilation of the 2018/2019 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure. Repairs and Maintenance has increased by drastically in the 2018/2019 financial year. This is due to correct classification as per mSCOA.

The level of budgeted Repairs and Maintenance expenditure, expressed as a percentage of the asset values is approximately 14 per cent . This is above the norm of 8 per cent as required by MFMA circular 55. The municipality however budgets as per the maintenance plans and is confident that the budget would adequately secure the on-going health of the municipalities' infrastructure and assets.

1.5.9 Municipal Standard Chart of Account (mSCOA)

mSCOA stands for Municipal Standard Chart of Accounts, It is a standardised Municipal Standard Chart of Accounts introduced by National Treasury (Regulation in April 2014). The primary objective of mSCOA is to achieve an acceptable level of uniformity and quality from the collection of data from the IDP Process to Annual Report. The data is then used to compile both budgets and financial statements

According to the South African National Treasury 2, mSCOA will benefit municipalities in the following ways:

- Improved data quality and credibility
- Deeper analysis of sector comparison
- Uniform recording of transactions
- Uniform data sets
- Standardised key business processes
- Standardisation and alignment of government accountability cycle
- Standardisation of account classification

The Richmond municipality has commenced transacting on the new Financial System and the mSCOA budget from 1 July 2017. Reporting and uploading on the National Treasury Portal does take place every month, quarterly and annually. The 2017/2018 will see the first drafting of mSCOA financial statements. The municipality will ensure compliance however some of the challenges experienced with the implementation of mSCOA includes the following:

- Richmond Municipality firstly converted from ABAKUS to MUNSOFT in June 2017; there was various issues with the raising of debtors and closing of the different modules (debtors / creditors etc);
- As a result, we ran the two system concurrently in order to ensure that Financial Statements for 2016/2017 would not be affected and timeously completed by the end of August 2017;
- We did commence transacting on mSCOA on 1 July 2017, however with no opening balances and information not updated from ABAKUS;
- Monthly reporting was being undertaken with various errors on data strings;
- We only managed to clear these issues in Month 08;
- Quarterly reporting has also been undertaken;
- The adjustment budget was once again prepared on Munsoft and in accordance with mSCOA requirements;
- To date the balance sheet alignment has not been completed;

- The biggest challenge to date however remains the buy in of end user departments and other departments within the municipality. To them this is still a financial reform.

1.5.10 Operating Budget Surplus / Deficit

The municipality has budgeted for an Operating deficit of R20,9 million in 2018/2019 and deficits of R22,8 million and R22,7 million in the two respective outer years. MFMA circular No.72 requires all municipalities to adopt a surplus position. The deficit for the two outer years is lower than the non-cash items expenditure reflected on the budgets (e.g. Depreciation). The deficit would be funded from accumulated funds.

Every endeavour would be made to ensure that the deficit for 2018/2019 and the two outer years are eradicated before the adoption of the final budget.

This may indicate that the tariffs and rates are insufficient to ensure that the community is making a sufficient contribution towards the economic benefits they are consuming over the medium-term budget period.

During the following years budget, tariffs and rates would be reviewed simultaneously with a reduction in expenditure to improve this result.

1.5.11 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services households are required to register in terms of the Municipality Indigent Policy. The municipality has in the 2018/2019 year undertaken to register all indigents and thereby create an updated indigent register.

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The amount under transfers and grants made by municipalities includes ;

- Free basic electricity;
- Free Basic Refuse;

- Rebates on Rates offers to indigent
- Rebates on Rates offered to Pensioners

1.6 Capital expenditure

Table 7: The following table provides a breakdown of budgeted capital expenditure per vote:

Vote	Adjustment Budget 2017/2018	Budget Year 2018/19	Budget Year+1 2019/20	Budget Year+2 2020/21
Executive and Council	30 850	0		
Finance and Administration	249 000	1 631 000		
Planning and Development	3 000 000	2 016 000		
Community & Social Services	6 889 050	5 000 000		
Public Safety	650 000	0		
Sport & Recreation	0	0		
Waste Management	0	0		
Road Transport	11 860 250	16 741 550	17 519 900	18 290 350
Total Capital Budget	22 679 150	25 388 550	17 519 900	18 290 350

For 2018/19 an amount of R25 million has been appropriated for the development of infrastructure which represents 100 per cent of the total capital budget. Roads receives the highest allocation of R16,7 million.

Management acknowledges that capital programmes needs a balanced funding structure addressing not only backlogs in services but also investment in new infrastructure as well as the renewing of current infrastructure.

Total new assets represents 46 per cent or R11.6 million of the total capital budget while asset renewal equates to 54 per cent or R 13, 8 million. Further detail relating to asset classes and proposed capital expenditure is contained in table A9 (Asset Management). In addition to the MBRR table A9, MBRR table SA34a, b and c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

The accepted norm for renewal of assets is 40 per cent. The municipality however has the challenge of maintaining roads that have never been attended to such that communities can have access to basic services. The roads infrastructure has huge backlogs which the 2018/2019 budget is attempting to address.

Some of salient projects to be undertaken over the medium-term includes, amongst others:-

- One Road per Ward
- Ezindongeni Main Road ward 3
- Hopewell internal Roads Ward 4
- Uganda Access Road

1.6.1. Transfer recognised – Capital

Transfers recognised capital contributes to 76 per cent or R19, 2 million to the total capital expenditure.

The municipality is highly dependent on grants for the delivery of capital projects.

As an alternative source of funding the municipality has gone out to tender for service providers to source alternate funding for the municipality.

The own funding of R6, 1 million is much more when compared to previous years. Due to the backlogs on roads, council resolved to target the renewal of roads with own funding.

1.7 Cash Flow

As per table A8, all statutory requirements (PAYE, Pension, Medical Aid etc.) are met at month end.

The following provisions have been accounted for:-

- Post-retirement medical aid; and
- Long service provision
- Housing development fund

The budget will be funded from cash backed accumulated reserves. Part of the Cash and Cash investments includes investment's less than three months which are captured under call investments in Table A6.

1.8 Annual Budget Tables - Parent Municipality

The following pages present the main budget as required.

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Mayor, Members of the Executive Committee, Municipal Manager and senior officials of the municipality. The primary aim of the Budget Steering Committee is to ensure:-

- that the process followed to compile the budget complies with legislation and good budget practices;

- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2017) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required budget time schedule on 25 August 2017.

Key dates applicable to the process were:-

- **August 2017** : Adoption of Budget and IDP Schedule of Key deadlines;
- **September 2017** : Engagement with Sector Departments on sector specific programmes ;
- **October 2017** : S52(d) Mayoral report on the implementation of the 2017/2018 budget and SDBIP;
- **November and December 2017**: Review of IDP strategies to ensure relevance;
- **January 2018** : First community consultative process, tabling of annual report 2016/2017 and Mid-Year review of Budget and SDBIP 2017/2018;
- **February 2018**: Adoption of adjustment budget 2017/2018 and Budget steering meeting to discuss input for first draft Budget 2018/2019;
- **March 2018** : Oversight report on the annual report, First draft budget to Budget steering committee, Exco and table to Council to seek approval before community participation;
- **April 2018** : Community Participation / Budget Izimbizoz
- **May 2018** : Adoption of final budget 2018/2019 and the IDP;
- **June 2018** : Mayor to Sign SDBIP and submission of Budget / IDP and SDBIP to relevant structures and departments.

2.1.2 IDP and Service Delivery and Budget Implementation Plan

This is the second IDP of the newly adopted council. It started in August 2017 after the tabling of the IDP Process Plan and the Budget Time Schedule for the 2018/19 MTREF.

The municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan.

The IDP has been taken into a business and financial planning process leading up to the 2018/19 MTREF, based on the approved 2017/18 MTREF, Mid-year Review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2018/19 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year performance against the 2017/18 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.1.3 Financial Modelling and Key Planning Drivers

As part of the compilation of the 2018/19 MTREF, extensive financial modelling was undertaken to ensure affordability and long-term financial sustainability. The following key factors and planning strategies have informed the compilation of the 2018/19 MTREF:

- Policy priorities and strategic objectives
- Asset maintenance
- Economic climate and trends (i.e inflation, household debt, migration patterns)
- Performance trends
- The approved 2017/18 adjustments budget and performance against the SDBIP
- Cash Flow Management Strategy
- Debtor payment levels

- The need for tariff increases versus the ability of the community to pay for services;
- Improved and sustainable service delivery
- The FMCMM assessment as tabled at council

In addition to the above, the strategic guidance given in National Treasury' MFMA Circulars 66 ,67, 70 72,74,75, 78, 79, 82, 85, 89 and 91 has been taken into consideration in the planning and prioritisation process.

2.1.4 Community Consultation

Once the draft budget was approved by council the following community consultation process took place: -

- The draft 2018/19 MTREF was published on the municipality's website;
- Hard copies were made available at all municipal offices and libraries;
- Notices were placed on municipal notice boards and various libraries;
- In addition the budget was taken out to all wards by the process of Budget and IDP Imbizo's. The applicable dates and venues were published in two local newspapers and were scheduled as follows:

WARD	DATE
1	2 May 2018
2	4 May 2018
3	23 April 2018
4	18 April 2018
5	4 May 2018
6	25 April 2018
7	01 May 2018

- Minutes of the above meetings and attendance registers are available in the working papers files;
- Written communication was received from the Ratepayers Association – a response was duly forwarded, and their input has been considered in this final draft budget;
- All documents in the appropriate format (electronic and printed) was provided to National Treasury and Provincial Treasury in accordance with section 23 of the

MFMA, to provide an opportunity for them to make inputs- input was received from Provincial Treasury and has been considered in this final draft budget.

2.2 Overview of alignment of annual budget with IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realized through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals. A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area. The IDP enables municipalities to make the best use of scarce resources and speed up service delivery.

Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area. Applied to the municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the municipality strategically complies with the key national and provincial priorities.

The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the municipality's response to these requirements.

The national and provincial priorities, policies and strategies of importance include amongst others:

- Green Paper on National Strategic Planning of 2009;
- Government Programme of Action;
- Development Facilitation Act of 1995;
- Provincial Growth and Development Strategy (GGDS);
- National and Provincial spatial development perspectives;
- Relevant sector plans such as transportation, legislation and policy;
- National Key Performance Indicators (NKPis);
- Accelerated and Shared Growth Initiative (ASGISA);
- National 2014 Vision;
- National Spatial Development Perspective (NSDP) and
- The National Priority Outcomes.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP but must also conduct its affairs in a manner which is consistent with its IDP.

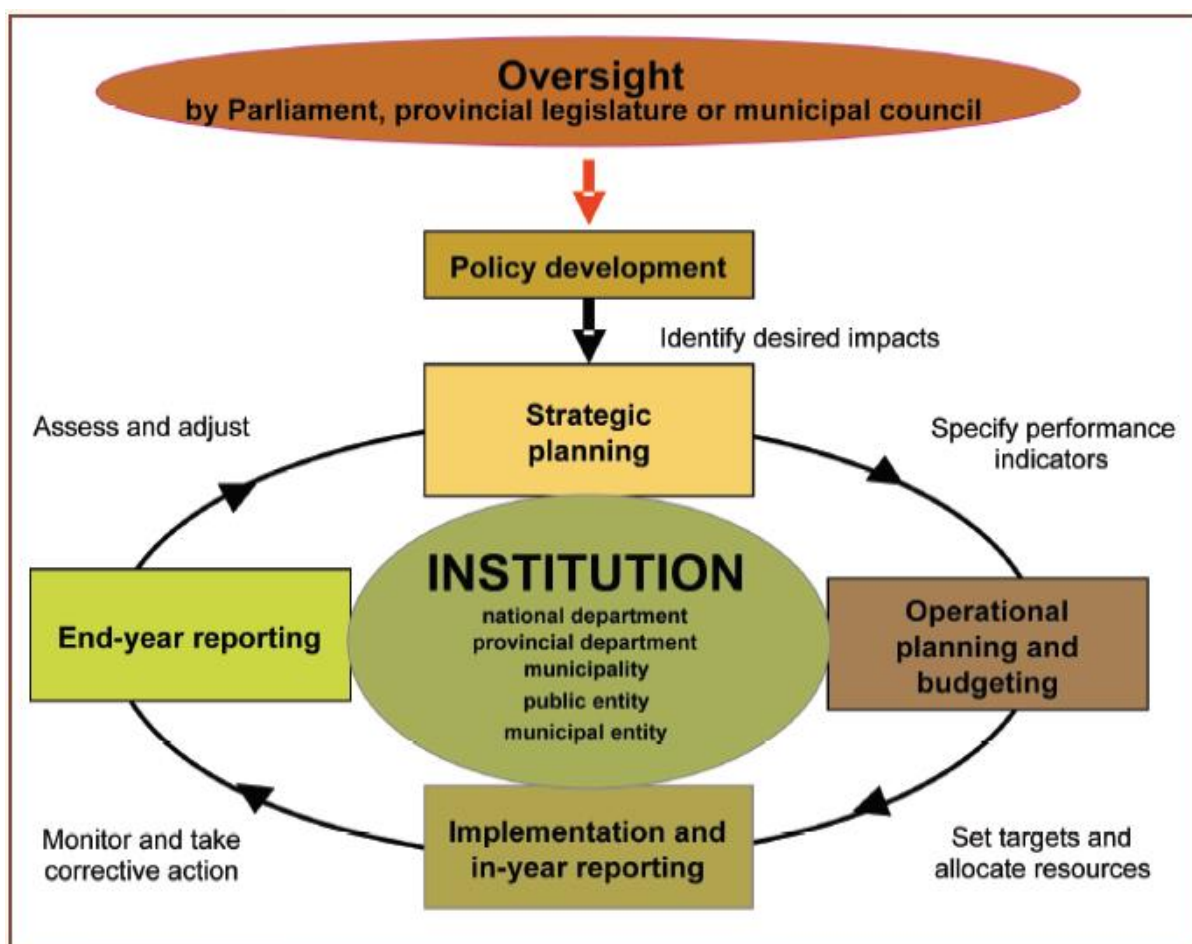
2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is

constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assess and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during the last stage, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

The planning, budgeting and reporting cycle can be graphically illustrated as follows:



Planning, budgeting and reporting cycle

2.3.1 Performance indicators and benchmarks

2.3.1.1 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities and as a benchmark the municipality has set a limit of 1, hence at no point in time should this ratio be less than 1. Going forward it will be necessary to maintain these levels.
- The liquidity ratio is a measure of the ability of the municipality to utilize cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally the municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations.

2.3.1.2 Revenue Management

- As part of the financial sustainability strategy, the debt collection and credit control policy has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days.

2.3.1.3 Creditors Management

- The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. The municipality has managed to ensure a 100 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

2.3.2 Free Basic Services: basic social services package for indigent households

In terms of the municipality's Indigent and Free Basic Services Policy registered households are entitled to 50kwh of electricity and free waste removal equivalent to once a week as well as a rebate on their property rates.

Further the municipality also assists with the Burials to the value of R2000.00 per family.

2.4 Overview of budget related-policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

All policies as listed hereunder, are available on the municipality's website.

The Following policies have been amended for the 2018/2019 financial year.

NO.	POLICY	DEPT.	AVAILABILITY	ADOPTION DATE
2.4.1	Debt Collection and Credit Control Policy	Budget & Treasury Office	Y	31/05/2018
2.4.2	Property Rates Act Policy	Budget & Treasury Office	Y- attached	31/05/2018
2.4.3	Revenue enhancement Policy	Budget & Treasury Office	Y	31/05/2018
2.4.4	Petty Cash Policy	Budget & Treasury Office	Y	31/05/2018
2.4.5	Borrowing Policy	Budget & Treasury Office	Y	31/05/2018
2.4.6	Long Term Financial Plan Policy	Budget & Treasury Office	Y	31/05/2018
2.4.7	Supply Chain Management policy	Budget & Treasury Office	Y - attached	31/05/2018
2.4.8	Asset management policy	Budget & Treasury Office	Y	31/05/2018
2.4.9	Indigent policy	Budget &	Y- attached	31/05/2018

	and Free Basic Services Policy	Treasury Office			31/05/2018
2.4.10	Cash Management and Investment Policy	Budget & Treasury Office	Y		
2.4.11	Budget Policy	Budget & Treasury Office	Y		31/05/2018
2.4.12	Infrastructure and Capital Investment policy	Budget & Treasury Office	Y		31/05/2018
2.4.13	Funds and Reserves Policy	Budget & Treasury Office	Y		31/05/2018
2.4.14	Tariff Policy(including Property Rates Tariff, Refuse Removal / Solid Waste Tariff)	Budget & Treasury Office	Y		31/05/2018
2.4.15	Virement Policy	Budget & Treasury Office	Y		31/05/2018
2.4.16	Budget Implementation and Management Policy	Budget & Treasury Office	Y		31/05/2018
2.14.17	Contract Management Policy and Manual	Budget and Treasury Office	Y - Attached		31/05/2018

2.4.2 Property rates Act Policy

The property Rates Act Policy has been amended in accordance with applicable legislation and comments as received from National COGTA. Whilst the policy is credible, sustainable and manageable there has been a need to review certain components to achieve a higher customer satisfaction and to take cognisance of community input.

2.4.7 Supply Chain Management Policy

The SCM policy has been reviewed to incorporate the central supplier's database as proposed and to be implemented by National Treasury.

2.5 Overview of budget assumptions

2.5.1 External factors

Owing to the economic slowdown, there are reduced payment levels by consumers. This is being addressed by the implementation of the debt collection and credit control policy.

The MTBPS highlights that South Africa's economic performance has deteriorated over the past several years. It is important to note that the Gross Domestic Product (GDP) growth forecast of 1.3 per cent in the 2017/2018 budget was revised down to 0.7 per cent. The rate of recovery will be slow at this time, it is anticipated that growth of 1.9 per cent may be reached by 2020.

2.5.2 General inflation outlook and its impact on the municipal activities

The following factors have been taken into consideration in the compilation of the 2018/19 MTREF

- National Government macro economic targets';
- The general inflationary outlook;
- The increase in the cost of remuneration;
- The increase in the cost of services by service providers;
- Annual increases in contracted services;
- Building the capacity of local government through the ***"Back to Basics"*** which will focus on improving service delivery

2.5.3 Headline inflation forecasts

As per the MFMA circular 89, municipalities were requested to take the following macro-economic forecasts into consideration when preparing the 2018/2019 budgets and MTREF:-

<i>Fiscal Year</i>	<i>2015/16 Actual</i>	<i>2016/17 Actual</i>	<i>2017/18 Estimate</i>	<i>2018/19 Forecast</i>	<i>2019/20</i>	<i>2020/21</i>
CPI Inflation	4.6%	6.3%	5.4%	5.2%	5.5%	5.5%
Real GDP growth	1.6%	0.9%	1.2%	1.9%	2.5%	

2.5.4 Collection rate for revenue services

The base assumption is that tariff and rating increases will increase by 6 per cent respectively. It is also assumed that the current economic conditions, volatile due to the upcoming local government elections, will continue for the forecaster term.

The rate of revenue collection is currently expressed as a percentage (90 per cent) of annual billings. There should also be an increased collection of arrear debt from the appointment of new debt collectors. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

2.5.5 Salary increases

The South African Local Government Association (SALGA) is currently engaged in negotiations on Salaries and Wages, Wage Curve for the Local Government Sector as well as the Pensions Fund Restructuring at the level of the South African Local Government Bargaining Council. SALGA is negotiating for a multi-year salary and wage collective agreement and the salary increases to be inflation linked. SALGA has tabled a revised offer of 7% to the trade unions and this includes an improvement factor for the outer years of a multi-year agreement. Further, the municipality has not concluded the Job evaluation process. Every year, over and above the normal salary increase the municipality also provides for a notch increase for applicable positions. Therefore, the municipality has considered a 7.5 per cent increase in the budget for 2018/2019 as well as 6 per cent respectively for the outer years.

2.5.6 Remuneration of Councillors

The municipality has considered the gazette on the Remuneration of Public Office bearers Act: Determination of Upper limits of Salaries, allowances and Benefits of different members of municipal council for the 2017/2018 financial year.

The following positions have been budgeted for on a full-time basis: -

- Mayor
- Speaker
- Deputy Mayor

2.5.7 Ability of the municipality to deliver and spend on the programmes

It is estimated that a spending rate of 100 per cent is achieved on operating and capital expenditure for the 2018/2019 MTREF of which performance has been factored into the cash flow budget.

2.5.8 Service Level standards

Service level standards have been formulated.

2.6 Overview of budget funding

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

Description	MFMA section	Re f	Current Year 2017/18	2018/19 Medium Term Revenue & Expenditure Framework		
			Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
<u>Funding measures</u>	-	-				
Cash/cash equivalents at the year beg - R'000	18(1)b	1	47 063	45 602	58 217	71 758

Cash + investments at the yr end				49	49	49
less applications - R'000	18(1)b	2	49 326	494	724	326
Cash year end/monthly						
employee/supplier payments	18(1)b	3	0,2	0,5	0,5	0,4
Surplus/(Deficit) excluding						
depreciation offsets: R'000	18(1)	4	—	—	—	—
Service charge rev % change -	18(1)a,(
macro CPIX target exclusive	2)	5	0,0%	0,0%	0,0%	0,0%
Cash receipts % of Ratepayer &	18(1)a,(
Other revenue	2)	6	0,0%	0,0%	0,0%	0,0%
Debt impairment expense as a %	18(1)a,(
of total billable revenue	2)	7	0,0%	0,0%	0,0%	0,0%
Capital payments % of capital	18(1)c;1					
expenditure	9	8	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital						
expenditure (excl. transfers)	18(1)c	9	0,0%	0,0%	0,0%	0,0%
Grants % of Govt.						
legislated/gazetted allocations	18(1)a	10		0,0%	0,0%	0,0%
Current consumer debtors %						
change - incr(decr)	18(1)a	11	0,0%	12,6%	0,2%	0,3%
Long term receivables % change						
- incr(decr)	18(1)a	12	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant &						
Equipment	20(1)(vi)	13	0,0%	0,0%	0,0%	0,0%
Asset renewal % of capital						
budget	20(1)(vi)	14	0,0%	0,0%	0,0%	0,0%

Cash and Cash Equivalents: The municipality's cash position was discussed as part of the cash flow statement. A positive cash position, for each of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash backing of reserves and working capital requirements.

The forecasted Cash and Cash Equivalents for the 2018/2019 financial year shows R45 million rand.

The municipality has budgeted to receive an amount of R14 million rand for Property rates penalties and collection charges in the 2018/19 budget year. The historic trend reflects that the rates collection rate is between 87 per cent and 90 per cent. The municipality has implemented debt collection strategies and we are therefore confident the collection rate will improve to 90%.

The refuse average collection rate is between 75 per cent and 80 per cent. The municipality has again improved debt collection strategies and has therefore considered a collection rate of 80 per cent for the 2018/19 budget year.

The municipality has budgeted R100 million rand for Suppliers and employees which is calculated as follows:-

Employee Related costs	: R 49 611
Less : Non- cash Items	
• Long service awards	:(R 350)
• PRMB	:(R 600)
• Leave	:(<u>R 1 069</u>)
	R 47 592
Remuneration of councillors	R 5 877
Contracted services	R 28 530
Other Expenditure	R 11 619

Cash plus investments less application of funds: The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement.

2.6.1 Medium-term outlook: operating revenue

The following table is a break-down of the operating revenue over the medium-term:-

Description R thousands	2018/19 Medium Term Revenue & Expenditure Framework					
	Budget Year 2018/19	%	Budget Year +1 2019/20	%	Budget Year +2 2020/21	%
Property rates	16.040.000	16%	15 942 000	17%	16 899 000	17%
Service charges	1 136.000	0%	1 204 000	0%	1 276 000	0%
Investment revenue	3.040.000	3%	3.224.000	4%	3.416.000	3%
Transfers recognised - operational	80.006.000	77%	80 231 000	75%	86 490.000	76%
Other own revenue	3.322.000	4%	3 085 000	4%	3.270.544	4%
Total Revenue (excluding capital transfers and contributions)	103 545 000		103 686 000		111 351 000	
Total Operating Expenditure	124 459 000		126 494 000		134 084 000	
Surplus / (Deficit)	-20 914 000		-22 807 000		-22 733 000	

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its income from grants and property rates.

The revenue strategy is a function of key components such:

- Growth in the Municipalities economic development;
- Revenue management and enhancement;
- Achievement of a 80% annual collection rate;
- National Treasury guidelines;
- Achievement of a full cost recovery on service charges;
- The Property rates policy in terms of the Municipal Property Rates Act, 2004; and
- The ability to extend services and obtain cost recovery

For the medium term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

2.6.2 Medium term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2018/2019 MTREF capital programme:

<u>Funded By</u>	<u>Budget year</u> <u>2018/2019</u>	<u>%</u>	<u>Budget year +1</u> <u>2019/2020</u>	<u>%</u>
National Government	17 241 550	68	17 519 900	100
Provincial Government	2 000 000	8		
Internally generated Funds	6 147 000	24		
TOTAL CAPITAL FUNDING	25 388 550	100	17 519 900	100

Capital grants and receipts equates to 72 per cent of the total funding source which represents R 19, 2 million for the 2018/2019 financial year.

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understand ability for councillors and management.

Description R thousand	R ef	Current Year 2017/2018		2018/19 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year +1 2018/20 19	Budget Year +1 2019/202 0	Budget Year +1 2020/202 1
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates, penalties &		9	9	10	11	12

collection charges		360	360	800	421	106
Service charges		405	405	499	497	500
		4	4	2	2	2
Other revenue		345	345	619	514	659
		69	69	70	76	80
Government – operating	1	606	606	254	391	549
		17	17	33	17	18
Government – capital	1	376	376	026	850	664
		2	2	2	1	1
Interest		500	500	625	816	924
Payments						
		(79	(79	(76	(82	(86
Suppliers and employees		893)	893)	399)	102)	378)
Finance charges		(175)	(175)	(440)	(466)	(494)
Transfers and Grants	1			(600)	(636)	(674)
NET CASH FROM/(USED)		23	23	42	27	28
OPERATING ACTIVITIES		524	524	384	285	856
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Decrease (increase) other non-current receivables				2	2	2
				042	165	294
Decrease (increase) in non-current investments		13	13	(24		
		164	164	976)	–	–
Payments						
		(25	(25	(31	(16	(17
Capital assets		851)	851)	870)	958)	731)
NET CASH FROM/(USED)		(12	(12	(54	(14	(15

INVESTING ACTIVITIES		687)	687)	804)	793)	437)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Borrowing long term/refinancing				242	242	242
Payments						
Repayment of borrowing				(120)	(120)	(120)
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	122	122	122
NET INCREASE/ (DECREASE) IN CASH HELD		10	10	(12	12	13
Cash/cash equivalents at the year begin:	2	837	837	298)	614	541
Cash/cash equivalents at the year end:	2	31	47	57	45	58
		162	063	900	602	216
		41	57	45	58	71
	2	999	900	602	216	757

2.6.4 Cash backed reserves/accumulated surplus reconciliation

Description	2012/13	2013/14	2014/15	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand								
<u>Cash and investments available</u>								
Cash/cash equivalents at	43	45	47	41	57	45	58	71

the year end	415	674	063	999	900	602	217	758
Other current investments					(15		(12	(26
> 90 days	0	(0)	1	601	300)	(2)	617)	158)
Non current assets -								
Investments	–	–	–	–	–	–	–	–
Cash and investments	43	45	47	42	42	45	45	45
available:	415	674	064	600	600	600	600	600
<u>Application of cash and investments</u>								
Unspent conditional transfers	–	–	–	–	–	–	–	–
Unspent borrowing	–	–	–	–	–	–	–	–
Statutory requirements								
Other working capital	21	20	12	(1		(4	(4	(4
requirements	556	982	511	115)	(589)	008)	195)	446)
Other provisions								
Long term investments committed	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments						282	301	322
Total Application of cash and investments:	21	20	12	(1	(589)	(3	(3	(4
	556	982	511	115)	(589)	726)	894)	124)
	21	24	34	43	43	49	49	49
Surplus(shortfall)	859	692	553	715	189	326	494	724

From the above table it can be seen that the cash and investments available total R45,6 million.

The following is an application of this funding:-

- Unspent conditional grants are automatically assumed to be an obligation. The municipality is however budgeting to spend all unspent conditional grants;

- The reserves to be cash baked is the funds in respect to the Housing Development fund

2.6.5 Funding Compliance Measurement

Description	2012/2014	2013/2014	2014/2015	Current year 2015/2016		2017/2018 Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Budget Year 2017/2018	Budget year 2018/2019	Budget year 2019/2020
<u>Funding measures</u>								
Cash/cash equivalents at the year beg - R'000	37 731	43 415	45 674	31 162	47 063	57 900	45 602	58 217
Cash + investments at the yr end less applications - R'000	–	–	–	–	–	(282)	(301)	(322)
Cash year end/monthly employee/supplier payments	0,5	0,4	0,4	0,2	0,2	0,5	0,5	0,4
Surplus/(Deficit) excluding depreciation offsets: R'000	–	–	–	–	–	–	–	–
Service charge	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

rev % change -								
macro CPIX								
target exclusive								
Cash receipts								
% of Ratepayer &								
Other revenue	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Debt								
impairment								
expense as a %								
of total billable								
revenue	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Capital								
payments % of								
capital								
expenditure	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowing								
receipts % of								
capital								
expenditure								
(excl. transfers)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of								
Govt.								
legislated/gazett								
ed allocations						0,0%	0,0%	0,0%
Current								
consumer								
debtors %								
change -								
incr(decr)	N.A.	2,8%	5,2%	(13,7 %)	0,0%	12,6%	0,2%	0,3%
Long term								
receivables %								
change -	N.A.	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

incr(decr)								
R&M % of Property Plant & Equipment	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Asset renewal % of capital budget	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the table above. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding measurement table essentially measures the degree to which the proposed budget complies with the funding requirement of the MFMA.

2.7 Expenditure on grants and reconciliations of unspent funds

Description	Ref	Budget	Budget	Budget
		Year 2017/18	Year +1 2018/19	Year +2 2019/20
R thousand				
EXPENDITURE:	1			
-				
<u>Operating expenditure of</u>				
<u>Transfers and Grants</u>				
Operating Transfers and				
Grants		77 295	77 130	83 492
National Government:				
Local Government				
Equitable Share		62 473	68 308	74 229
Finance Management		1 900	1 900	1 900
Municipal Systems		—	—	—

Improvement			
EPWP Incentive	1 515	–	–
Integrated National Electrification Programme	10 500	6 000	6 400
MIG - PMU	907	922	963
	2 711	3 101	2 998
Provincial Government:			
Housing	–	–	–
Scheme Support Grant	–	250	
Porvincialisation of Libraries	2 514	2 640	2 772
Community Library Services Grant	197	211	226
Scholar patrol	–	–	–
Total operating expenditure of Transfers and Grants:	80 006	80 231	86 490
<u>Capital expenditure of Transfers and Grants</u>			
Capital Transfers and Grants	17 241	17 520	18 290
National Government:	–	–	–
Municipal Infrastructure Grant (MIG)	17 242	17 520	18 290
msig	–	–	–
	–	–	–
Provincial Government:	2 000	–	–
Small Town	2 000	–	–

<i>Other grant providers:</i>				
Total capital expenditure of Transfers and Grants		19 241	17 520	18 290
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		99 248	97 751	104 780

The municipality commits to spending all grants received. Every attempt will be made to avoid an application for roll-overs.

2.8 Allocations on grants made by the municipality

Description R thousand	Current Year 2017/18		2018/19 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Total Non-Cash Grants To Organisations	–	–	–	–	–
<u>Groups of Individuals</u>					
<i>Free basic services</i>	1 030	1 030	1 030	1 092	1 157
Total Non-Cash Grants To Groups Of Individuals:	545	890	1 030	1 092	1 157
TOTAL NON-CASH TRANSFERS AND GRANTS	545	890	1 030	1 092	1 157
TOTAL TRANSFERS AND GRANTS	545	890	1 030	1 092	1 157

Grants to individuals are in respect to Free Basic Electricity, Free Basic Refuse and indigent rates.

2.8 Councillor and employee benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2018/19 Medium Term Revenue & Expenditure Framework		
		Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
-	1	G	H	I
<u>Councillors (Political Office Bearers plus Other)</u>				
Basic Salaries and Wages		6 081	6 446	6 833
Other benefits and allowances				
		4	4	5
Sub Total - Councillors		642	920	215
% increase	4	8,4%	6,0%	6,0%
<u>Senior Managers of the Municipality</u>	2			
Basic Salaries and Wages		4 826	5 116	5 422
Pension and UIF				
Contributions		225	238	253
Medical Aid Contributions				
Overtime				
Performance Bonus		649	688	729
Motor Vehicle Allowance	3	672	712	755
Post-retirement benefit	6			

obligations				
Sub Total - Senior Managers of Municipality		6 372	6 754	7 159
% increase	4			
Other Staff		37 158	36 787	38 993
TOTAL SALARY, ALLOWANCES & BENEFITS				
% increase	4			
TOTAL MANAGERS AND STAFF	5,7	49 611	49 987	52 986

The increase in respect to staff is more than 7.5 per cent implemented to consider the proposed annual salary increment and job evaluation. This is due to the following:-

- The municipality has incorporated a 7% annual increment increase;
- The new budget has also considered an additional notch increase;
- 5 per cent to cater for job evaluation.

2.9 Monthly targets for revenue, expenditure and cash flow

2.10 Annual budgets and SDBIPs – internal departments

- As per Attached draft SDBIP. (Final SDBIP to be approved by the MAYOR)

2.11 Contracts having future budgetary implications

In terms of the Municipality's Supply Chain Management Policy, the following contracts are awarded beyond the medium-term revenue and expenditure framework (three years - 36 months):-

- Municipal Valuer

- Financial Management System (This is currently on a year on year basis, however we will have to include this contract going forward)

2.12 Capital expenditure details

<u>DEPARTMENT</u>	<u>DESCRIPTION</u>	<u>FUNDING</u>	<u>2018/2019</u>
<u>Corporate</u>			
	Memorial Hall	RM	1 500 000
	Generator	RM	131 000
<u>Community - Halls</u>			
	Agricultural Hall	RM	1 500 000
<u>Roads</u>			
	Drivers Testing Ground	RM	2 500 000
	Taxi Rank Ablutions	RM	500 000
<u>Town Planning</u>			
	Laptop	RM	16 000
TOTAL BASIC CAPITAL			6 147 000

<u>DEPARTMENT</u>	<u>FUNDING</u>	<u>2018/2019</u>
ADHOC		

Mig funded projects

Ezindongeni Main Roads Ward 3	MIG	6 000 550
Smozomeni Main Phase 2	MIG	4 241 000
Richmond Sports Complex	MIG	3 500 000
Bhambatha Sidewalks	MIG	1 150 000
Hopewell Internal Roads	MIG	1 200 000
Uganda Access Road	MIG	1 150 000
SMME Incubation Centre	COGTA	2 000 000

19 241 550

25 388 550

Reconciliation

Richmond Municipality

MIG

COGTA

ORIGINAL**BUDGET**

6 147 000

17 241 550

2 000 000

25 388 550

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) is undertaken on a monthly basis.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget and Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed and trained 15 interns through this programme.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detailed SDBIP document is at a draft stage and will be finalised after approval of the 2018/19 MTREF in May 2018 directly aligned and informed by the 2018/19 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module is available in electronic format.

Financial Interns are registered for the training.

8. Policies

All financial policies are reviewed and adopted annually as part of the budget process.

17.1.1 AG COMMENTS AND RESPONSES

Table 2: Adequacy of Audit Response:

Audit Query	Response from Municipality Action to resolve query	Person Responsible	Target Date	Progress
1. Material Misstatements	The Finding is noted. All amendments will be made accordingly.	Chief Financial Officer	27 November 2017	All amendments were made and accepted by the Auditor.
2. Performance indicators are not well – defined and targets are not specific, and measurable	The finding is noted and agreed with.	Municipal Manager	30 June 2018	Current performance information and SDBIP is being reviewed and will be adjusted accordingly with the 2017/2018 adjustment budget.

3. Reported achievement not supported by sufficient appropriate evidence , i.e. not valid and/or accurate and/or complete	The finding is noted. We had subsequently provided information to the AG.	Municipal Manager	30 June 2018	Current performance information and SDBIP is being reviewed and will be adjusted accordingly with the 2017/2018 adjustment budget.
---	--	-------------------	--------------	--

17.2 MANAGEMENT LETTER

Audit Query	Response from Management Action to resolve query	Person Responsible	Target Date	Progress
1. Work in progress misstated	All matters raised were addressed and adjusted with the final AFS presented to the AG.	Chief Financial Officer	27 November 2017	Completed.
2. Asset disposal	All matters raised were addressed and adjusted with the final AFS presented to the AG.	Chief Financial Officer	27 November 2017	Completed.

3. Procurement process not followed - quotations	The finding is noted. The AFS was adjusted accordingly.	Chief Financial Officer	27 November 2017	Completed. Extra care to be taken when approving deviations.
4. Incomplete disclosure of deviations	The finding is noted. The AFS was adjusted accordingly.	Chief Financial Officer	27 November 2017	Completed.
5. Receivables overstated	The finding is noted. The AFS was adjusted accordingly.	Chief Financial Officer	27 November 2017	Completed.
6. Independent reviews not done (IT)	The finding is noted and agreed with. A user account management policy and procedures will be developed and implemented.	SM: Corporate Services	30 June 2018	Ongoing
7. Vendor Access to live system	The finding is noted and agreed with.	SM: Corporate Services	30 June 2018	Ongoing

8. Indicators with same performance measures (Duplicate d)	The finding is noted and agreed with.	Municipal Manager	30 June 2018	Current performance information and SDBIP is being reviewed and will be adjusted accordingly with the 2017/2018 adjustment budget.
--	---------------------------------------	-------------------	--------------	--

17.3 SECTOR DEPARTMENTS

The following sector departments and stakeholders contributed to the sector alignment process i.e. conducted by the Richmond Municipality and the District Municipality.

17.3.1 Department of Arts and Culture

Project name	Project status
Ndalen Library	Currently been implemented

17.3.2 uMngungundlovu district municipality

project	Details	Project estimate	Project start	Project complete	Task
Richmond	Upgrade of existing treatment works from 1MI/d to 3MI/d. Treatment works currently operating above capacity.	R 115,000,00	Apr-18	Dec-19	PSP appointed and designs reviews being conducted.

17.3.3 Department of Health

Project name	Project status
Argosy clinic in ward 4	Currently been implemented

17.3.4 Department of Human Settlements

NAME OF PROJECT	STATUS OF PROJECT	TOTAL PROJECT VALUE
1. NHLAZUKA RURAL HOUSING PROJECT	CONSTRUCTION STAGE	R 101 683 878.09
2. SIYATHUTHUKA RURAL HOUSING PROJET	PLANNING STAGE	R 63 486 785. 50
3. ZWELETHU HOUSING PROJECT	CONSTRUCTION STAGE	R 10 381 174.80
4. ARGOSY FARM REHABILITATION PROJECT	CONSTRUCTION STAGE	R 117 273 589.74
5. ST BERNARD AND 6. AMANDUS HOUSING PROJECT	PLANNING STAGE	R 27 764 640.00 R 3 084 960.00
7. BHONGOZA SLUM CLEARANCE HOUSING PROJECT	PLANNING STAGE	R 9 254 880.00
8. KWAMAGODA HOUSING PROJECT	PLANNING STAGE	
9. GENGESHE & 10. MZINOLOVU	PLANNING STAGE	R 15 424 800.00 R 15 424 800.00
11. SOCIAL AMENITIES (AGUST 2018)	CONSTRUCTION STAGE	R 6 289 255.56
12. MIDDLE INCOME HOUSING PROJECT	PLANNING STAGE	R 30 849 600.00

17.3.5 Department of Education

No	Project Name	Municipality	Current Status
1	Richlea Primary School	Richmond	Planning

INFRASTRUCTURE PROJECTS

NATEMI S	Project Name	Nature Investment	of Programm e Implemete r/ IA	2018- 2019	2019- 2020	2020- 2021
5001140 71	BYRNE INTERME DIATE SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R50.00 0	R302.000
5001407 85	ESIMOZO MENI SENIOR PRIMARY SCHOOL	UPGRADES AND ADDITIONS	KZNDoe	R0.000	R15.00 0	R281.160
5001437 82	EZULWINI COMBINE D SCHOOL	UPGRADES AND ADDITIONS	Independe nt Developme nt Trust	R5,644.8 37	R427.0 00	R0.000
5003123 17	GENGESH E PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R120.0 00	R299.000
5001589 15	HUBA SECONDA	UPGRADES AND ADDITIONS	DoPW	R0.000	R50.00 0	R0.000

	RY SCHOOL					
5001641 69	INHLAZUK A PRIMARY SCHOOL	UPGRADES AND ADDITIONS	KZNDoe	R0.000	R4,050. 000	R5,060.28 0
5001870 35	LINWOOD PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R300.0 00	R147.000
5001912 53	MADLAN YOKA PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R300.0 00	R147.000
5001924 00	MAGODA PRIMARY SCHOOL	UPGRADES AND ADDITIONS	KZNDoe	R0.000	R1,000. 000	R50.000
5001952 12	MALIPHU ME PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R50.00 0	R0.000
5001953 23	MALIZAY O PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R50.00 0	R0.000
5002052 39	MBUTHIS WENI PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R0.000	R97.000

5002077 18	MENZIWA PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R25.00 0	R0.000
5002081 99	MEYERSH OEK PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R75.00 0	R301.000
5002119 36	MKHOBENI SECONDARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R89.00 0	R0.000
5003418 80	MT PLEASANT PRIMARY SCHOOL	UPGRADES AND ADDITIONS	KZNDoe	R0.000	R3,652. 000	R1,599.16 0
5002169 31	MPOFANA PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R80.00 0	R0.000
5002245 53	NDABIKHONA PRIMARY SCHOOL	UPGRADES AND ADDITIONS	Coega Developme nt Corporatio n	R2,044.0 00	R427.0 00	R0.000
5002415 36	NYAMBAYI PRIMARY	UPGRADES AND ADDITIONS	DoPW	R0.000	R35.00 0	R292.000

	SCHOOL					
5002479 37	PHATHEN I PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R80.00 0	R0.000
5002555 59	RICHLEA PRIMARY SCHOOL	UPGRADES AND ADDITIONS	KZNDoe	R0.000	R4,050. 000	R1,834.75 0
5002564 47	ROSETTE NSTEIN PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R35.00 0	R292.000
5004422 98	SHIYAMP AHLA PRIMARY SCHOOL	UPGRADES AND ADDITIONS	KZNDoe	R0.000	R4,050. 000	R1,862.88 0
5002831 61	THORNVI LLE PRIMARY SCHOOL	UPGRADES AND ADDITIONS	KZNDoe	R0.000	R700.0 00	R0.000
5002831 24	THORNVI LLE ST AIDED PRIMARY SCHOOL	UPGRADES AND ADDITIONS	DoPW	R0.000	R80.00 0	R124.000
5002981 09	YISE SECONDA RY	UPGRADES AND ADDITIONS	DoPW	R0.000	R80.00 0	R130.000

	SCHOOL					
5001020 09	AMANDU S HILL PRIMARY SCHOOL	REFURBISHMENT AND REHABILITATION	DoPW	R0.000	R0.000	R150.000
5002277 35	CONGCO SECONDA RY SCHOOL	REFURBISHMENT AND REHABILITATION	DoPW	R0.000	R105.0 00	R150.950
5001277 24	EINSIEDEL N COMBINE D SCHOOL	REFURBISHMENT AND REHABILITATION	DoPW	R0.000	R0.000	R80.000
5002194 47	MTHOMB OWOLWA ZI PRIMARY SCHOOL	REFURBISHMENT AND REHABILITATION	DoPW	R78.000	R0.000	R0.000
5002641 43	ISIDUNGE PRIMARY SCHOOL	REFURBISHMENT AND REHABILITATION	DoPW	R78.000	R0.000	R0.000
5002823 47	THOKOZ WAYO SECONDA RY SCHOOL	REFURBISHMENT AND REHABILITATION	DoPW	R0.000	R205.9 93	R26.776

5001622 45	NEW INDALENI AREA SECONDA RY SCHOOL	NEW /REPLACEMENT INFRASTRUCTURE ASSETS	DoPW	R3,257.0 00	R1,924. 000	R0.000
---------------	--	---	------	----------------	----------------	--------

17.3.6 Department of Health

No	Level of Care	Municipality	Current Status
1	Hopewell Clinic	Richmond	Planning

17.3.7 Department of Transport

MPUMALANGA 2018/19 BUSINESS PLAN FOR RICHMOND

CONTRACT NUMBER	DESCRIPTION	BUDGET	STATUS
C227/1563/S	Re-gravelling of D352	750,000	Pre tender
C227/1565/S	Re-gravelling of P120	1,000,000	Pre tender
C227/1567/S	Re-gravelling of L651 (0-3.7) replaced by D773 0.3.3)	1,200,000	Pre tender

ANNUAL OPERATIONAL PLAN

17.4 THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The SDBIP provides the vital link between the mayor, council (executive) and the administration, and facilitates the process for holding management accountable for its performance. The SDBIP is a management, implementation and monitoring tool that will assist the mayor, councillors, municipal manager, senior managers and community.

It is the intention of the Richmond Municipality to formulate a well informed SDBIP in order to ensure that appropriate information is circulated internally and externally for purposes of monitoring the execution of the budget, performance of senior management and achievement of the strategic goals of the municipality as set out in the Integrated Development Plan 2017/18. It will ensure that the Administrative Head (Municipal Manager) is able to monitor the performance of senior managers, the Mayor, in turn, to monitor the performance of the municipal manager and more importantly, it will ensure that the community is able to monitor the performance of the municipality. In order to achieve this, the SDBIP should therefore determine the performance agreements between the Mayor and the Municipal Manager and, again in turn, between the Municipal Manager and senior managers (Strategic Managers) formulated and signed at the start of every financial year and approved by the mayor.

17.4.1 The Concept of the SDBIP

Whilst the budget, which is informed by the IDP, sets the yearly service delivery and budget targets (revenue and expenditure per vote), it is imperative that in-year mechanisms are able to measure performance and progress on a continuous basis. Hence, the end-of-year targets must be based on quarterly and monthly targets, and the Municipal Manager must ensure that the budget is built around quarterly and monthly information. Being a start-of-year planning and target tool, the SDBIP gives meaning to both in-year reporting in terms of section 71 (monthly reporting), section 72 (mid-year report) and end of year annual reports.

The SDBIP is essentially the management tool which links each service delivery output to the budget of the municipality and also indicates the responsibilities and outputs for each of the senior managers in the top management team.

Being a management and implementation plan (and not a policy proposal), the SDBIP is not required to be approved by Council – HOWEVER it is required to be tabled before Council and made public for information and for purposes of monitoring.

17.4.2 Process of Formulation

Section 1 of the MFMA defines the SDBIP as:

“a detailed plan approved by the mayor of a municipality in terms of section 53(1)(c)(ii) for implementing the municipality’s delivery of services and the execution of its annual budget and which must include (as part of its top layer) the following:

- (a) Projections for each month of –*
- (i) Revenue to be collected, by source: and*
- (ii) Operational and capital expenditure, by vote:*

Service delivery targets and performance indicators for each quarter”.

The Municipal Manager is responsible for the preparation of the SDBIP, which must be legally submitted to the mayor for approval once the budget has been approved by the council (around end-May or early-June of any financial year). Once the budget is approved by Council, the Municipal Manager should submit to the Mayor, the SDBIP together with the necessary performance agreements for final approval within 14 days after the approval of the budget.

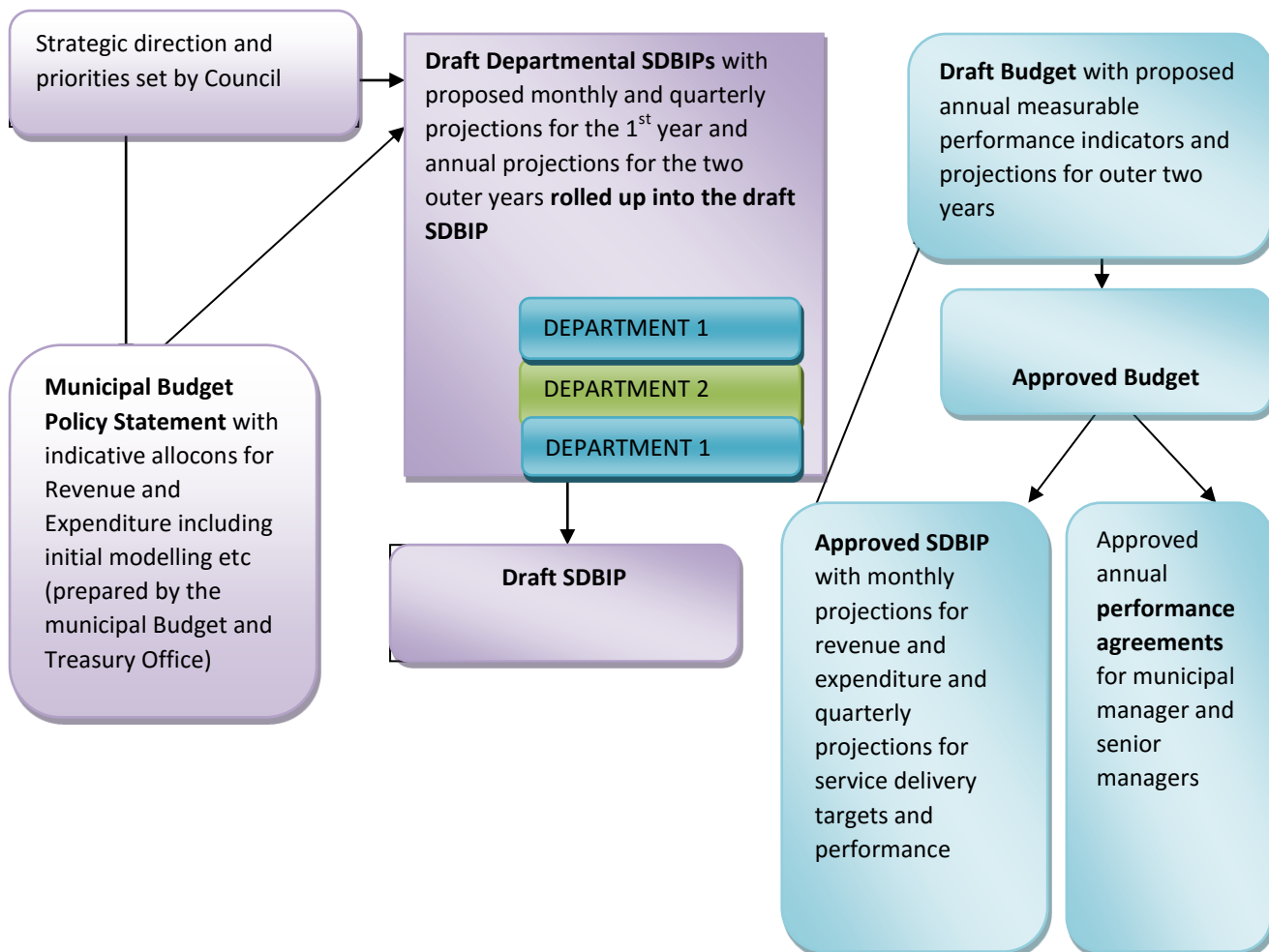
Upon approval of the SDBIP and the performance agreements by the Mayor, it is imperative that the plan and agreements are made public within 14 days, preferably before 01 July of only financial year. It is noted that it is only the top layer (or high-level) details of the SDBIP that is required to be made public.

17.4.3 Timing and Methodology for Preparation of Service Delivery and Budget Implementation Plan (SDBIP)

The Municipal Finance Management Act, Act 56 of 2003, in specific, Section 69(3) (a) of the MFMA requires the Accounting Officer to submit a draft SDBIP to the mayor no later than 14 days after the approval of the budget and draft of the performance agreement as required in terms of Section 57(1) (b) of the Municipal Systems Act. The mayor must subsequently

approve the SDBIP no later than 28 days after the approval of the budget in accordance with section 53(1) (c) (ii) of the MFMA.

17.4.4 Process for preparing and approving the SDBIP



CHAPTER 7: ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

18 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

18.1 GUIDING PRINCIPLES

Although the Richmond Municipality has developed a Performance Management System, practice has indicated that the System may not be as user-friendly as was intended. It is now fundamental that the Municipality review the entire System to ensure that it is understood and implementable thus ensuring that the Citizens Participation Charter is well informed. To date no organizational performance review has taken place although it is the intention to ensure that the performance of the organisation as well as applicable Managers is undertaken.

The objectives of the Municipality, as set out in the Constitution of the Republic of South Africa, are recorded as follows:

- **To provide democratic and accountable government for local communities**
- **To ensure the provision of services to communities in a sustainable manner**
- **To promote social and economic development**
- **To promote and safe and healthy environmental, and**
- **To encourage the involvement of communities in matters of local government**
- **In line with the above, the formulation of the Integrated Development Plan to inform the Budget of the Municipality which is aligned to the PMS and the processes in terms of Mayoral Integrated Development Plan/Budget Izimbizo, participation by Ward Committees and Communities together with the developed Communication Strategy and resultant Citizens Participation Charter is responsive to the above objectives.**

In order to address any inherent risks which may be identified, it is imperative that the following receives the necessary attention:

- **Refined SDBIP catering for activities and deliverables with associated milestones, SMART indicators with more realistic targets**
- **Bi-Monthly high-level departmental report indicating departmental and organizational performance in terms of indicators and targets set**

- Action, in terms of reports submitted, to be undertaken to ensure that any hint of non-performance can be addressed timeously
- Quarterly appraisals to be undertaken for the Municipal Manager and each Departmental Head
- The Municipality must consider the establishment of a PMS Unit or alternatively Good Government Unit to ensure that the strategic approach (Integrated Development Plan) in terms of delivery through the PMS is achieved (the necessary provisions in terms of finances and human capacity must be made in order to ensure that any audit does not deliver negative results)
- Skills training together with capacity building must be undertaken for officials appointed or seconded to PMS / Good Governance Unit
- Capacity Building for the Mayor in terms of the SDBIP formulated for the Municipal Manager

On a lighter note, the following can be recorded as the Municipality's accomplishments to date:

- 2015/2016 Annual Report formulated and adopted by Council together with the Oversight Report
- Signature of Performance Agreements by Section 57 Employees
- Development of Communication Strategy together with Citizens Participation Charter
- Formulation and implementation of SDBIP

The following key outputs are identified:

- Assess and review current PMS and refine to current realities and expected implementation in terms of targets to be met
- The outcome of the assessment in terms of any gaps identified must be analysed in terms of Integrated Development Plan and PMS requirements
- Development of the Municipal Scorecard as well as the development of Municipal Indicators in order to address backlogs in terms of the SMART principles
- Stakeholder input on the draft scorecard
- Finalised scorecards for Council approval as a performance planning and measurement tool

The annual reports have been developed for the last three years. 2013/2014, 2014/2015 and 2015/2016. 2008/2009 financial year was the first year that the Richmond had produced an oversight report. The Richmond Municipality, in terms of the outcome of the audit of the accounts of the Municipality for the 2010/2012 financial year as conducted by the Auditor-General received an UNQUALIFIED with no matters (**CLEAN AUDIT**) audit report. Below is the annual report.

18.2 ANNUAL PERFORMANCE REPORT OF PREVIOUS YEAR

The annual report has been attached

18.3 ORGANISATIONAL KEY PERFORMANCE INDICATORS LINKED TO DEPARTMENTAL INDICATORS (REFER BELOW)**18.4 DEPARTMENTAL INDICATORS LINKED TO OUTPUTS IN THE PERFORMANCE AGREEMENTS (REFER BELOW)****18.5 OUTPUTS IN THE PERFORMANCE AGREEMENTS LINKED TO ACTIVITIES IN THE OPERATIONAL PLANS AND INDICATORS (REFER BELOW)****ORGANISATIONAL SCORECARD**

After a detailed and careful analyses of the current organisation scorecard it was found that the Municipality needs to review its Organisation scorecard and ensure that it is aligned to the IDP and to what the Municipality needs to achieve and focus on.

The following key performance indicators are proposed for the Organisation scorecard and SDBIP

Richmond Municipality draft SDBIP for 2018/19 financial year

Objective	Strategies	Projects	Local KPA	KPI	Budget Estimate	Responsible department	Baseline	Annual Target	Target Date and Budget								POE
							2017-18		Q1	Budget Spent	Q2	Budget Spent	Q3	Budget Spent	Q4	Budget Spent	
							LOCAL ECONOMIC DEVELOPMENT										
To increase support to SMMEs, Cooperatives and Local Farmers	To provide support to SMMEs, Cooperatives and Other Local Businesses	None	SMMEs, Cooperatives and Local Agricultural Farmers	LED training programmes Strategies /Implemented	R 200,000	OMM	No accredited training in place	Trained beneficiaries	Training programme formulated for Cooperatives & SMMEs; Beneficiary coops and SMMEs identified		25 coop & smme beneficiaries trained		25 coop & smme beneficiaries trained		25 coop & smme beneficiaries trained		Training programme signed, Attendance registers
To Increase support to SMMEs, Cooperatives and	To provide support to SMMEs, Cooperatives	None		Number of Cooperative and SMME support programmes conducted (seeds and	R 100,000	OMM	No Cooperatives and SMME support programme	2 Programmes			1 Programme				1 Programme		Signed confirmation of received goods by all beneficiaries

Local Farmers	and Other Local Businesses			fencing)												
To Increase support to SMM Es, Cooperatives and Local Farmers	To provide support to SMM E's Cooperatives and Other Local Businesses	None		Number of SMME and Cooperatives assisted with registration and establishment.	No budget	OMM		50	12		10		13		15	Registration Certificates from CIPC
To Increase support to SMM Es, Cooperatives and Local Farmers	To provide support to SMM E's Cooperatives and Other Local Businesses	None	SMME Fair conducted	SMME Fair (subjected to budget availability)	R 50,000	OMM	No SMME Faire	SMME Faire	None		None		None		SMME Craft Fair	Invites to crafters and audience as well as attendance register for the day with event details

To Increase support to SMM Es, Co-operatives and Local Farmers	To provide support to SMM E's Co-operatives and Other Local Businesses	None	Informal Traders' Permits	Informal Trader Permits reviewed in compliance with Allocation Policy	N/A	OMM			Allocations Policy reviewed and approved		All informal trader permits reviewed		Permits issued (new and reviewed)		None		Informal Trader Permits
To Increase support to SMM Es, Co-operatives and Local Farmers	To provide support to SMM E's Co-operatives and Other Local Businesses	None	Business License	Percentage of Business Licences issued in respect of approved applications	N/A	OMM	100%	100%	100%		100%		100%		100%		Business Licenses
To Increase support to SMM Es, Co-operatives and Local	To provide support to SMM E's Co-operatives and	None	Municipal Plantation	Management of Forestry and Plantation		OMM	Current contract service provider ending 30 June 2018		Service provider procurement process concluded		Service provider appointed		Service provider reports evaluated		Service provider reports evaluated		Management reports from appointed management company

Farmers	Other Local Businesses																
To create jobs through LED initiatives	Grow economy and expand investments and business opportunities which will result in job creation		Job Creation/opportunities given to local unemployed youth and emerging businesses	Percentage of Capital Project Budget given as business opportunities to local suppliers and service providers.	N/A	OMM	Record of current status not kept	30%	7.5%		7.5%		7.5%		7.5%		Contracts register from SCM
To create jobs through LED initiatives				Number of New Work Opportunities created	R 1,515,000	OMM		180	90		None		90		None		Signed EPWP Contracts and reports from EPWPRS
To create jobs through LED initiatives				Number of new Full Time Equivalent s created in line with	N/A	OMM		96	48				48				Full Time Equivalent Reports

ives				NDPW targets												
To create jobs through LED initiatives				Number of EPWP reports submitted in compliance with DORA	N/A	OMM	4 Reports	4 Reports	1 Report		1 Report		1 Report		1 Report	Quarterly Evaluation Reports
To stimulate and promote local economy.	Grow economy and expand investments and business opportunities which will result in job creation		Business Plans	Number and quality of Business Plans submitted for funding applications.		OMM	None	2 compliant Business Plans	Developed guidelines and register for approval		1 Business Plan				1 Business Plan	Business plans register signed by the MM

To stimulate and promote local economy.	Grow economy and expand investments and business opportunities which will result in job creation		LED Strategy	Approved Local Economic Development Strategy		OMM	No approved LED strategy	Approved strategy	Application for support issued to CoGTA		None		LED Strategy reviewed and approved by Portfolio Committee		LED Strategy adopted by Council		Approved LED Strategy
To stimulate and promote local economy.	Grow economy and expand investments and business opportunities which will result in job creation		LED Policies	Review and Adoption of relevant Policy applicable to LED Unit		OMM	LED Policies not updated	Reviewed LED policies	LED Policies reviewed and submitted for approval by Portfolio Committee		LED Policies tabled for adoption by Council						Council Resolution approving policies

To stimulate and promote local economy.	Grow economy and expand investments and business opportunities which will result in job creation		Bylaws	Reviewed Bylaws applicable to LED Unit		OMM	Bylaws not updated	Adopted by-laws	LED by-laws reviewed and submitted for approval by Portfolio Committee		LED by-laws submitted for adoption by Council						Council resolution adoptig bylaws
To stimulate and promote local economy.	Grow economy and expand investments and business opportunities which will result in job creation		Partnerships facilitated	Number of Strategic Partnerships agreements facilitated.		OMM	No formalised partnerships	1 Partnership									Tripartite Agreement

To stimulate and promote local economy.	Grow economy and expand investments and business opportunities which will result in job creation			Number of Reports to Council in relation to Farmer Production Support Centre		OMM	FPSU Funding approved. Implementation halted	4 Reports to Council	1 Report		1 Report		1 Report		1 Report		Items to Council
To provide support to Local Tourism			Local Tourism Forums	Establishment of Richmond Community Tourism Organisation	R 70,000	OMM	Unsuccessful attempt to re-establish CTO	1 Tourism Association Established			Establishment of CTO				Tourism Brochure Developed	TO R's	Signed Terms of Reference, Minutes for the meeting and attendance register, Brochure
To provide support to business forum			Local Business Forums	Establishment of LED Forum	N/A	OMM	No LED Forum in place	Business Forum established					LED Forum Established				Signed Terms of Reference

							CROSS CUTTING KEY PERFORMANCE INDICATORS									
To increase opportunities for better life and improved standard of living.	Facilitate improved literacy rate and better standard of living		Youth development	Number of Youth assisted with information by the youth office.	N/A	OMM		2000	500 youth targeted		500 youth targeted		500 youth targeted		500 youth targeted	Concept Documents and Attendance registers
To increase opportunities for better life and improved standard of living.	Facilitate improved literacy rate and better standard of living		Youth development	Number of Youth given access to funding opportunities.	R 40,000	OMM		12 youth owned SMME/Co-ops	03 SMME/Co-ops		03 SMME/Co-ops		03 SMME/Co-ops		03 SMMEs/Co-ops	Project Profile/Attendance registers

To increase opportunities for better life and improved standard of living.	Facilitate improved literacy rate and better standard of living		Youth development	Date of Annual Youth Summit	R 60,500	OMM		26-Apr-19							1 event		attendance registers, invites and confirmation of speakers
To increase opportunities for better life and improved standard of living.	Facilitate improved literacy rate and better standard of living		Youth development	Number of Youth Capacity Building / Skills Development Workshops held	R 60,500	OMM		4	31-Aug-18		#####		#####		#####		Project Profile / Concept Document / Attendance Registers
To increase opportunities for better life and improved standard of living.	Facilitate a better standard of living		Community festivals	Date of Commemoration of Cultural Art Festival	R 10,000	OMM		30-Sep-18	30-Sep-18								attendance register and reports

ved stand ard of living.																	
To comb at crime and impro ve the stand ard of living.	Educ ate and facilit ate a bette r stand ard of living		Facilitation of crime reduction	Crime and Substance Abuse Campaign	R 26,00 0	OMM		25 Novem ber 2018 to 16 Decem ber 2018			25 Nov to 16 Dec 2018						Project Profile/Attendanc e register/photos
To prom ote and hono ur virgin ity amon g maid ens.			Reed Dance	Umkhosi womhlang a /Reed dance facilitated according to the set programm e	R 50,00 0	OMM	1 X Reed Dance	1 X Reed Dance as per schedul e	30-Sep- 18								Project Profile/Attendanc e register/photos

Objective	Strategies	Projec ts	Local KPA	KPI	Budge t Estima	Responsib le departme	Baseline	Annual Target	Target Date and Budget	POE
-----------	------------	--------------	-----------	-----	----------------------	-----------------------------	----------	------------------	------------------------	-----

					te	nt	2017-18		Q1	Budg et Spen t	Q2	Budg et Spen t	Q3	Budg et Spen t	Q4	Budg et Spen t	
						GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
To prepare a credible IDP	Develop and implement IDP process plan	N/A	Strategy development	% progress with the implementation of IDP process plan by end of financial year	R38 000.00	Planning and Development	NONE	100%	25%		25%		30%		20%		Progress Report on the development of the IDP
To prepare a credible IDP	Develop and implement IDP process plan	N/A	Strategy development	Date of submission of IDP process plan 2019/2020			31-Aug-17	Date of adoption by council	31-Aug-18								council resolution
To prepare a credible IDP	Develop and implement IDP process plan	N/A	Strategy development	Date of submission and adoption of draft IDP 2019/2020			29-Mar-18	Date of adoption by council					29-Mar-19				council resolution
To prepare a credible IDP	Develop and implement IDP process plan	N/A	Strategy development	Date of adoption of final IDP 2019/2020			31-May-18	Date of adoption by council	31-May-19						31-May-19		council resolution

To prepare a credible IDP	Develop and implement IDP process plan	N/A	Strategy development	Number of IDP Izimbizo meetings held			7 meetings held in november 2017	7 meetings to be held			7 Meetings					minutes of meeting and attendance register
To prepare a credible IDP	Develop and implement IDP process plan	N/A	Strategy development	Number of formal meetings held with IDP Stakeholders			4 meetings held	4 Meetings to be held	1 meeting		1 meeting		1 meeting		1 meeting	
						CROSS CUTTING KEY PERFORMANCE INDICATORS										
to ensure compliance with bylaws	Implement al municipal policies and performance systems.		Town planning	% of building plans processed and approved within 30 days	N/A	Planning and Development	100%	100%	25%		25%		25%		25%	applications approved
				Number of contravention letters issued	N/A		50 letters	48 letters	12 letters		12 letters		12 letters		12	letters issued
				Number of compliance certificates issued	N/A		48 certificates	48 certificates	12 certificates		12 certificate		12 certificate		12 certificate	certificates issued

				Number of inspections conducted to prevent illegal activities	N/A		174 inspections	96 inspections	24 inspections		24 inspections		24 inspections		24 inspections		inspection schedule signed by building inspector, planning officer and Manager
To comply with SPLUMA (Spatial planning and Land Use Management Act)			Land use management and implement SPLUMA Act	% of applications processed within legal time frame	N/A		100%	100%									copy of report to JMPT & Record of decision
To align sector plans with the IDP, NSDP and PGDS			IGR	Progress made with aligning all sector plans with the IDP, NSDP and PGDS	N/A		100%	100%	25%		25%		25%		25%		
				Number of reports submitted to portfolio committee in respect of Planning and Development	N/A			12 reports	3 reports		3 reports		3 reports		3 reports		Minutes of the Portfolio committee meeting

To identify and develop suitable land for cemetery	Increase the capacity of municipal infrastructure and extend the services rendered by the municipality		Richmond cemetery	Development of Richmond Cemetery	R800 000.00		N/A	Richmond cemetery plan	appointment of service provider		public consultation for development of Richmond Cemetery		submission of project inception report		Richmond cemetery plan		Richmond cemetery plan adopted by council
--	--	--	-------------------	----------------------------------	-------------	--	-----	------------------------	---------------------------------	--	--	--	--	--	------------------------	--	---

Objective	Strategies	Projects	Local KPA	KPI	Budget Estimate	Votes	Responsible department	Base line	Annual Target	Target Date and Budget								POE
								2017-18		Q1	Budget Spent	Q2	Budget Spent	Q3	Budget Spent	Q4	Budget Spent	
							GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
To implement organisational performance management by Improvi	Implement systems and processes which ensure clean audits,	None	Transformation and Institutional Development	Mayor to approve the 2019/20 SDBIP within 14 days after the approval by Council	No budget allocated	None	MM	14-Jun-18	14-Jun-19							14-Jun-19		Signed SDBIP by the Mayor

ng compliance efficiencies and the audit opinion.	compliance to legislation and high performance.			The Final SDBIP for 2019/20 must be approved by the Mayor within 28 days after the approval of the 2019/20 budget as per Section 53 of the MFMA	No budget allocated	No ne	MM	28- Jun- 18	28-Jun- 19							28-Jun-19		Signed copy of the final SDBIP
				Submission of the 2017/18 Annual Performance Report to the Auditor General	No budget allocated	No ne	MM	31- Aug- 17	31- Aug-18	31- Aug- 18								Acknowledgment of receipt of the APR by the AG
				Quarterly SDBIP Reports for the 2018/201 9 Financial year submitted to EXCO.	No budget allocated	No ne	MM		4 Reports	1 Report		1 Report		1 Report		1 Report		EXCO Pack (Minutes & Reports)

				Publication of Approved Final SDBIP for 2018/2019 on the Municipality's website and Media platforms	No budget allocated	No	MM		03-Jul-18	03-Jul-18								Municipal Website
				Signing of Section 56/57 Managers Performance Agreements/work plans for 2019/2020 financial year.	No budget allocated	No	MM	14-Jun-18	14-Jun-19						14-Jun-19			Copies of the Signed Agreements on the Municipal website
				Section 56/57 Managers Annual Performance Appraisals Conducted for 2017/2018 Financial Year.	No budget allocated	No	MM		31-Dec-18	31-Dec-18								Appraisals Reports

				Section 56/57 Managers 2017/2018 Annual Performance Appraisal submitted to the Management Performance Review Committee	No budget allocated	None	MM		15-Jan-19					15-Jan-19				Appraisals Reports and MPR Committee comments
				Monthly PMS progress plan tabled at MANCO for Monitoring and Evaluation	No budget allocated	None	MM	None	12 Plans	3 Plans		3 Plans		3 Plans		3 Plans		Progress plans tabled and MANCO minutes
				Quarterly Performance Reviews conducted for Section 56/57 Managers.	No budget allocated	None	MM		4 Reviews	1 Review		1 Review		1 Review		1 Review		Signed off review reports
				Submission of Mid Year Performance Report for	No budget allocated	None	MM	25-Jan-18	25-Jan-19									Council Minutes, Council Resolutions

				2018/2019 to Council.													
To achieve Compliance with Laws and Regulations	Ensure compliance to all legislative mandates and implementing processes and programmes to promote public awareness	None	Transformation and Institutional Development	The Audit Committee to convene at least 4 times a year as per section 166(4)(b)	R 104,995.80	None	MM		4 Meetings	1 Meeting		1 Meeting		1 Meeting			Audit Committee Minutes
				MPAC to convene at least 4 times a year.	No budget allocated	None	MM		4 Meetings	1 Meeting		1 Meeting		1 Meeting			MPAC Committee Minutes
				2017/18 Annual Report to be tabled to Council within 7 months after year end	No budget allocated	None	MM		25-Jan-19					25-Jan-18			Council Minutes, Council Resolutions
				Council to adopt an Oversight Report for the 2017/18 Annual Report within two months from the	No budget allocated	None	MM		25-Mar-19					25-Mar-18			Council Minutes, Council Resolutions

				date on which the Annual Report was tabled in Council														
To achieve Effective Risk Management by Strengthen governance and IGR Structures.	Establishing governance structures and develop protocols for all processes and participate in all IGR to share knowledge best practices and promote integrated development.	None	Transformation and Institutional Development	Annual Review of the Risk Management Framework and the Anti-Fraud and Anti-Corruption Strategy by the Risk Committee	No budget allocated	None	MM		30-Sep-18	30-Sep-18								Risk Committee Minutes
				Quarterly Progress Reports on the implementation of the Risk Management Framework and the Anti-Fraud and Anti-Corruption Strategy submitted to the Risk Committee	No budget allocated	None	MM		4 Progress Reports	1 Progress Report		1 Progress Report		1 Progress Report		1 Report Report		Progress Reports

				Risk Committee to convene on a Quarterly basis to review the Risk Register	No budget allocated	None	MM		4 Risk Committee Meetings	1 Risk Committee Meeting		1 Risk Committee Meeting		1 Risk Committee Meeting		1 Risk Committee Meeting		Risk Committee Minutes/Risk Registers
				Risk Management Workshop for the 2019/20 financial year	No budget allocated	None	MM	None	19-Jun-19							19-Jun-19		Attendance Registers/ Presentations
				Quarterly Risk and Fraud Assessments Performed on a Quarterly basis (Operational, Fraud and IT)	No budget allocated	None	MM		4 Assessments	1 Assessment		1 Assessment		1 Assessment		1 Assessment		Risk and Fraud Assessments conducted
				Monthly Back to Basics Templates Completed and Submitted	No budget allocated	None	MM		12 Templates	3 Templates		3 Templates		3 Templates		3 Templates		Completed B2B templates

				Quarterly Back to Basics Templates Completed and Submitted	No budget allocated	No	MM		4 Templates	1 Template		1 Template		1 Template		1 Template		Completed B2B templates
MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT																		
Optimise operational systems and processes.	Manage and allocate resources required to support the administration and operations of the municipality.	Non	Transformation and Institutional Development	Communication Plan to be developed for the approval of Council	No budget allocated	No	Comm	Non	31-Jul-18	31-Jul-18								Approved Communication Plan
				Frequency of reports to MANCO generated from suggestion boxes	No budget allocated	No	Comm		12 Reports	3 Reports		3 Reports		3 Reports		3 Reports		Written Reports
				Workshop for Staff on Batho Pele Principles.	No budget allocated	No	Comm	Non	30-Nov-18			30-Nov-18						Attendance Registers/ Presentations
				Batho Pele Principles Policy approved by Council	No budget allocated	No	Comm	Non	31-Jul-18	31-Jul-18								Council Minutes/ Council Resolutions
				Community Survey Reported to MANCO	No budget allocated	No	Comm		4 Reports	1 Report		1 Report		1 Report		1 Report		Community Surveys/ Reports

				Issue CoGTA compliant Newsletters quarterly	R150,000	No ne	Comm	0	4 Newsletters	1 Newsletter		1 Newsletter		1 Newsletter		1 Newsletter		Newletters
				Percentage of approved Loudhailin g requests actioned.	No budget allocated	No ne	Comm	100 %	100%	100%		100%		100%		100%		Approved Application letters and approved travel claims
				Annual Review of the Customer Services Charter	No budget allocated	No ne	Comm		31-Jul-18	31-Jul-18								Minutes
				Number of content Updates of Municipal Website.	No budget allocated		Comm		monthly	3 per quarterly		3 per quarterly		3 per quarterly		3 per quarter		

Budget Estimate	Responsible Department	Baseline	Annual Target	Target Date and Budget								Service Delivery Targets			POE
		2017-18		Q1	Budget Spent	Q2	Budget Spent	Q3	Budget Spent	Q4	Budget Spent				
	MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT														
R114 996	corporate services	There is a WSP with annual training report information.	Aligned WSP submitted timeously	None		None		None		WSP submitted to LGSETA by 4/30/2018				Dated copy of WSP that was submitted.	
No budget	corporate services	1 Survey Conducted	1 Survey	1 Survey to be done the 1st quarter		None		None		None				Training requirements from departments	
No budget	corporate services	None	1 Plan	None		None		1 Plan		None				Report Submitted to MM	
R50 000	corporate services	1 Programme	1 Programme	None		1 Programme		None		None				Exco Resolution and attendance register	
No budget	corporate services	1 Programme	1 Programme	None				None		1 Programme				Exco Resolution and attendance register	

No budget		No experiential learners in the municipality.	Experiential learning programme and reporting format is developed and approved by MM. Opportunities for experiential learners are advertised and appointments are concluded.	None		Experiential learning programme and reporting format is developed and approved by MM. Opportunities for experiential learners are advertised and appointments are concluded.		None		None					Reports submitted to MM
R80 000	Corporate services	Communication of updated policies and procedures to all employees.		None		None		Bursaries awarded according to policy		None					Attendance register and appointment letters
None	Corporate services	None	5% Employees	None		5% employees		None		None					appointment letters
N/A	Corporate services	The existing HR Plan needs to be reviewed	Reviewed HR Plan	Reviewed HR Plan		None		None		None					

No budget	corporate services	With the reviewed organisational structure, some positions do not have job descriptions	Job Descriptions submitted for evaluation	Job Descriptions submitted for evaluation		None		None		None					Report to JEC
No budget	corporate services	Policies approved by Council	Reviewed and approved policies	None		None		None		Reviewed and approved policies					Council resolution
No budget	corporate services	No monthly tracking facility in place	12 Reports	3 Reports tracking facilities and vehicles		3 Reports tracking facilities and vehicles		3 Reports tracking facilities and vehicles		3 Reports tracking facilities and vehicles					Reports
No budget	corporate services		Annual review of the ICT strategy and policy approved by Council.	None		ICT strategy and policy reviewed and approved by Council.		None		None					Exco resolution
No budget	corporate services		Annual review of the ICT Disaster Recovery Plan and Business Continuity plan	None		ICT Disaster Recovery Plan and Business Continuity plan approved by Council.		None		None					Exco resolution

No budget	corporate services		12 Council meetings	3 Council meetings resolutions implemented		3 Council meetings resolutions implemented		3 Council meetings resolutions implemented		3 Council meetings resolutions implemented					Council resolution
No budget	corporate services	Communication of updated policies and procedures to all employees.	Communication of updated and approved policies and procedures to all employees.	Communication of updated policies and procedures to all employees.		None		None		None					Attendance register
No budget	corporate services	4 meetings	4 LLF Meetings	1 LLF Meeting		1 LLF meeting		1 LLF meeting		1 LLF meeting					Agendas and minutes
No budget	corporate services	All Managers to be inducted on the delegations policy	All Managers inducted on the delegations policy	None		None		None		All Managers inducted on the delegations policy					Attendance register
No budget	corporate services		12 templates	3 templates		3 templates		3 templates		3 templates					Copies of Monthly Back 2 Basic Reports Submitted.

R600 000	corporate services		Connected and functioning ICT network	Connected and functioning ICT network		None		None		None					Confirmation from user department (memo)
No budget	corporate services		ICT industry compliance	Completed research on ICT industry good practice on WAN/LAN connectivity		Monthly Actual vs Target reported to MANCO		Monthly Actual vs Target reported to MANCO		Monthly Actual vs Target reported to MANCO					Confirmation from user department (memo)
No budget	corporate services		12 times	3 times		3 times		3 times		3 times					Number of updates
No budget	corporate services	4 Reports	4 Reports	1 Reports		1 Reports		1 Reports		1 Reports					Reports
No budget	corporate services	EE report was submitted to DoL before deadline (31 Jan)	Timely submission of approved EE Report	None		None		Approved EE report submitted to DoL by 1/31/2019		None					Letter of acknowledgement from DoL
No budget	corporate services		Monthly communication of grading status	Monthly communication		Monthly communication		Monthly communication		Monthly communication					Correspondance to JEC
R1,5m	corporate services	160 EPWP beneficiaries recruited	180	None		90		None		90					Copy of signed contracts
GOOD GOVERNANCE AND PUBLIC PARTICIPATION															

No budget	corporate services		1 Schedule of Meetings for all wards	1 Schedule of Meetings		None		None		None					schedule of meetings
No budget	corporate services	12 Meetings in Each Ward	12 Meetings in Each Ward	3 meetings per Ward		3 meetings per Ward		3 meetings per Ward		3 meetings per Ward					attendance registers
CROSS CUTTING KEY PERFORMANCE INDICATORS															
No budget	corporate services	Buildings Maintenance Plans adopted by MANCO	1 X Buildings and Maintenance Plan	1 X Buildings and Maintenance Plan		None		None		None					maintenance plan
No budget	corporate services		80% of target	20%		20%		20%		20%					Report by user department

Objective	Strat egies	Projects	Local KPA	KPI	Budget Estimate	Responsi ble departme nt	Basel ine	Ann ual Targ et	Target Date and Budget								Service Delivery Targets			POE
							2017 -18		Q1	Budg et Spen t	Q2	Bud get Spen t	Q3	Bud get Spen t	Q4	Bud get Spen t				
BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT																				
To Impleme nt road- building and maintena nce	To target nodal areas	MIG PROJECTS: Ezindongeni Road (1,4)	Roads construct ion and Maintana nce	Kilometer s of roads construct ed by June 2019	R 12,323,259. 08	TECHNIC AL	0 Km	2,4 Km	0,6 Km		0,6 Km		0,6 Km		0,6 Km					
		MIG PROJECTS: Smozomeni Road (1,4)			R 9,700,000.0 0	TECHNIC AL	2,8 Km	1,43 Km	SCM Process		0,48 Km		0,48 Km		0,48 Km					

program mes and improve rural accessibil ity	MIG PROJECTS: Bambatha Stormwater (0,5)			R 1,150,000.0 0	TECHNIC AL	4,3 Km	0,5 Km	SCM Process		0,5 Km									
	MIG PROJECTS: Hopewell Internal Rd (0,5)			R 1,200,000.0 0	TECHNIC AL	1,6 Km	0,5 Km	SCM Process		0,5 Km									
	MIG PROJECTS: Uganda Access Road (0,5)			R 1,150,000.0 0	TECHNIC AL	1,5 Km	0,5 km	SCM Process		0,5 Km									
	MIG PROJECTS: Construction of Bus-Shelters			R 400,000.00	TECHNIC AL	No. 3	No. 10	No. 10											
	MIG PROJECTS: Construction of Sheti Bridge			To source funding	TECHNIC AL	1 Km	0,1 Km												
	MIG PROJECTS: Construction of Ezulwini Bridge			To source funding	TECHNIC AL	0 Km	0,1 Km												
To provide assess to proper communi ty facilities	Business Incubation Centre	Construct ion of Incubatio n Centre	completi on of incubatio n center	R 5,000,000.0 0	TECHNIC AL					Comple tion of the Project									
	Drivers Testing Ground	Maintana nce of Communi ty Facilities	completi on of drivers testing centre	R 2,500,000.0 0	TECHNIC AL			SCM Process		Comple tion of the Project									
	Agricultural Hall		Number of Communi ty Halls built and mantaine	R 1,500,000.0 0	TECHNIC AL			SCM Process		Comple tion of the Project									

		Memorial Hall		d	R 1,500,000.00	TECHNICAL			SCM Process				Completion of the Project							
		MIG PROJECT: Richmond Sport Complex	Construction of Sport Complex	Numbers of Sport Facilities built and maintained	R 11,284,922.42	TECHNICAL					Completion of the Project									
		MIG PROJECT: Bulawayo Sport Field	Construction of Sport Field		R 2,690,000.00	TECHNICAL					Completion of the Project									
To Implement road-building and maintenance programmes and improve rural accessibility	To target nodal areas	ROAD MAINTANANCE & POTHOLE REPAIRS : Ward 1	Roads construction and Maintenance	Kilometers of road maintained by June 2019	R 200,000.00	TECHNICAL	4 Km	4 Km	4 Km											
		ROAD MAINTANANCE & POTHOLE REPAIRS : Ward 2			R 200,000.00	TECHNICAL	4 Km	4 Km												
		ROAD MAINTANANCE & POTHOLE REPAIRS : Ward 3			R 200,000.00	TECHNICAL	4 Km	4 Km												
		ROAD MAINTANANCE & POTHOLE REPAIRS : Ward 4			R 200,000.00	TECHNICAL	4 Km	4 Km												
		ROAD MAINTANANCE & POTHOLE REPAIRS			R 200,000.00	TECHNICAL	4 Km	4 Km												

		: Ward 5																		
		ROAD MAINTANANCE & POTHOLE REPAIRS : Ward 6			R 200,000.00	TECHNIC AL	4 Km	4 Km												
		ROAD MAINTANANCE & POTHOLE REPAIRS : Ward 7			R 200,000.00	TECHNIC AL	4 Km	4 Km												
		ACCESS ROADS: WARD 1	Roads construct ion and Maintana nce	Kilometer s of roads construct ed by June 2019	R 400,000.00	TECHNIC AL	0 Km	0,5 Km	SCM Process		0,25 Km		0,25 Km							
		ACCESS ROADS: WARD 2			R 400,000.00	TECHNIC AL	0 Km	0,5 Km	SCM Process		0,25 Km		0,25 Km							
		ACCESS ROADS: WARD 3			R 400,000.00	TECHNIC AL	0 Km	0,5 Km	SCM Process		0,25 Km		0,25 Km							
		ACCESS ROADS: WARD 4			R 400,000.00	TECHNIC AL	0 Km	0,5 Km	SCM Process		0,25 Km		0,25 Km							
		ACCESS ROADS: WARD 5			R 400,000.00	TECHNIC AL	0 Km	0,5 Km	SCM Process		0,25 Km		0,25 Km							
		ACCESS ROADS: WARD 6			R 400,000.00	TECHNIC AL	0 Km	0,5 Km	SCM Process		0,25 Km		0,25 Km							
		ACCESS ROADS: WARD 7			R 400,000.00	TECHNIC AL	0 Km	0,5 Km	SCM Process		0,25 Km		0,25 Km							

To provide asseccible and reliable burial infrastruc ture facilities			Maintana nce of Cemetry	Cleaning and Grass cutting of Grave yards	R -	TECHNIC AL														
To provide assess to proper communi ty facilities	Road Verges	Maintana nce of Communi ty Facilities	Grass cutting	R -	TECHNIC AL															
	Vacant Plots																			
	Taxi Rank																			
To provide safe and reliable waste manage ment services	REFUSE REMOVAL: WARD 1	Waste Manage ment	Number of househol d with access to refuse removal	R -	TECHNIC AL															
	REFUSE REMOVAL: WARD 2																			
	REFUSE REMOVAL: WARD 3																			
	REFUSE REMOVAL: WARD 4																			
	REFUSE REMOVAL: WARD 5																			
	REFUSE REMOVAL: WARD 6																			

		REFUSE REMOVAL: WARD 7			R -	TECHNIC AL														
--	--	------------------------------	--	--	--------	---------------	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Objective	Strategies	Projects	Local KPA	KPI	Budget Estimate	Votes	Responsible department	Baseline	Annual Target	Target Date and Budget								POE	
								2017-18		Q1	Budget Spent	Q2	Budget Spent	Q3	Budget Spent	Q4	Budget Spent		
							FINANCIAL VIABILITY												
To improve financial viability and sound financial management as per MFMA	Implement systems and processes which ensure clean audits, compliance to legislation and high performance.		Expenditure Management	Percentage of Creditors paid within 30 days of invoice date.	No budget allocated		Budget and Treasury Office	100% of creditors paid within 30 days	100%	100%		100%		100%		100%		Creditors Age Analysis.	

	Reduce dependence on grants and increase revenue collection and alternative revenue generation sources.		Debt Management and Revenue	Percentage of old debt recovered (rate per quarter).	No budget allocated		Budget and Treasury Office	Not rated due to the new system not being able to produce reports	20%	5%		5%		5%		5%		Debtors Age Analysis Report.	
				Percentage of current billing collected on a monthly basis.	No budget allocated		Budget and Treasury Office	Not rated due to the new system not being able to produce reports	75%	75%		75%		75%		75%		Debtors Age Analysis Report.	
				Rand value of rental collections for SMME Units and Thusong Centre.	No budget allocated		Budget and Treasury Office	No monitoring of rental collections	Establishment of baseline	Status quo study completed		MM's approval of findings to be implemented		100% implementation of approved elements for implementation		100% implementation of approved elements for implementation		Findings report; and Rental Income reports	

				Percentage of Own Revenue against grants Received from Government.	No budget allocated		Budget and Treasury Office	Not rated due to the new system not being able to produce reports	70%							70%		Revenue Reports	
				Number of times that cash reserves can cover monthly expenditure.	No budget allocated		Budget and Treasury Office	Not rated due to the new system not being able to produce reports	Average of 6 Times	6 times		6 times		6 times		6 times		Bank Statements.	
To effect the SCM policy in a way that is fair, equitable, transparent, competitive and cost-effective.	Improve systems for demand and supply chain management.		Supply Chain Management	Submission of Demand Management Plan to MANCO within the first quarter.	No budget allocated		Budget and Treasury Office	Demand Management Plan was submitted to MANCO on the 31st of August 2017.	31-Aug-18	31-Aug-18								Resolution of MANCO and copy of procurement plan.	

				Number of DMP progress / deviation reports submitted on the Implementation of DMP to MANCO.	No budget allocated		Budget and Treasury Office	12 reports submitted to MANCO for 2017/2018 Financial Year.	12 Reports	3 Reports		3 Reports		3 Reports		3 Reports		Resolution of MANCO and copy of procurement plan.	
				Number of Irregular Fruitless and Wasteful Expenditure Reports reported to MANCO.	No budget allocated		Budget and Treasury Office	12 reports submitted to MANCO for 2017/2018 Financial Year.	12 Reports	3 Reports		3 Reports		3 Reports		3 Reports		Resolution of MANCO and copy of procurement plan.	
				Percentage awards of bids that comply with Treasury regulations and SCM Policy	No budget allocated		Budget and Treasury Office	New indicator, maybe AG report can be used on their reported irregular expenditure	100%	100%		100%		100%		100%		Irregular, fruitless and wasteful expenditure reports submitted to Council and deviation reports	

To have a GRAP compliant asset register for the municipality.	Implement systems and processes which ensure clean audits, compliance to legislation and high performance.		Asset Management	100% updated and compliant register.			Budget and Treasury Office	Asset register as submitted for 2016/2017 audit.	100%	25%		50%		75%		100%		Physical asset count reports and Asset register	
							GOOD GOVERNANCE												
To prepare the budget for the municipality in full compliance with legislative prescripts.	. Prepare financial plans and provide reports in terms of applicable legislation.		Budget and Reporting	adoption of Budget process plan for 2019/2020 adopted by Council.	No budget allocated		Budget and Treasury Office	Budget process plan adopted by Council on the 25th August 2017.	Adoption of budget process plan for 2019/2020 budget by Council by the 2018-08-31	31-Aug-18								Council resolution and copy of Budget process Plan.	

				Managem ent of effective SCOA implement ation			Budget and Treasury Office	No SCOA complan ce by user depts.No effective utilisatio n of SCOA by BTO	Capicity develop ment for finance personel and user departm ents										
				tabling and approval of draft budget for 2019/2020 at Council.	No budg et alloca ted		Budget and Treasury Office	2018/20 19 budget tabled and approve d by the 31st of May 2018	2019-03- 31 for tabling of draft and 2019-05- 31 for approval of final draft budget					31-Mar-19		31-May-18		Council resolution and copy of Draft Budget for 2019/2020.	
To prepare annual financial statement s (AFS) that comply with Accountin g standards.				Compliant submissio n of Annual Financial Statement s for 2017/2018			Budget and Treasury Office	2016/20 17 annual financial stateme nts submitte d to Auditor General on the 31st of August 2017.	Submissi on of annual financial statemen ts to audit committ ee by the 24th of July 2018 and to Auditor General by 31st August 2018	2018- 07-24 submis sion to Audit Commie tee and 2018- 08-31 to Auditor Genera l								Copy of the signed AFS for 2017/2018. Letter of acknowlegd ement from AG's office	

To report on the implementation of the approved Budget.				Compliant submission of Section 71 reports to EXCO/Council	No budget allocated		Budget and Treasury Office	12 reports submitted for	12 Reports	3 Reports		3 Reports		3 Reports		3 Reports		Reports submitted to EXCO	
				Compliant submission of Section 72 reports to EXCO/Council	No budget allocated		Budget and Treasury Office	Compliant section 72 report submitted to EXCO/Council on 25 January 2018.	25-Jan-19					25-Jan-19				Council resolution adopting the Section 72 Report.	
				Number of Grants Reports Submitted to Council	No budget allocated		Budget and Treasury Office	12 Reports	12 Reports	3 Reports		3 Reports		3 Reports		3 Reports		Reports to MANAGEMENT COMMITTEE.	
To assist poor households in receiving free basic services			Free basic services	Implementation of indigent policy			Budget and Treasury Office	Indigent policy has been approved		Developed Indigent Framework		Consumer education		Update of indigent register				Indigent Framework, register	

Objective	Strategies	Projects	Local KPA	KPI	Budget Estimate	Votes	Responsible department	Baseline	Annual Target	Target Date and Budget								POE
								2017-18		Q1	Budget Spent	Q2	Budget Spent	Q3	Budget Spent	Q4	Budget Spent	
							CROSS-CUTTING PRIORITIES											
Unleash local talent and healthy styles through sports, arts and culture.	Unleash local talent and promote healthy lifestyle through encourage participation in sports and recreation.	Promote participation of local youth in Sports and Recreation.		Timeouts participation in municipal games (salga)	R 250,000		Community Services	Participated in 13 sporting codes for SALGA Games	Participation in 15 sporting codes	1		None		None		None		List of selected Participants with Identity documents
To promote gender and disability advocacy.		Events for disabled people in all wards	People Living with Disability	7 Wheelchair Race	R 45,000		Community Services	Assisted in 1 Race for physically challenged people in August 2017	1 Race for physically challenged people planned	1		None		None		None		List of Participants with Identity documents

To enhance the health of senior citizens	Promote participation for senior citizens in Sports and Recreation.	Games for Elderly citizens		Golden Games	R 45,000		Community Services	Participated in Golden Games in 2017/18		1		None		None		None		List of elderly Participants with Identity documents
Promote health and safety; and provide disaster relief.		Implement disaster programmes	Disaster Management	Disaster Awareness Campaigns.	R 7,000		Community Services	7 campaigns	7 campaigns	2		2		1		2		Attendance Registers
To facilitate, improved literacy rate and better standard of living	Facilitate literacy rate	Promote use of library	Library	Number of Library programmes to be implemented in all wards	No budget			12 programmes were implemented	12 programmes	3		3		3		3		Library reports

To enhance road safety and law enforcement			Health and social support	Road Safety Campaigns	No budget			20 campaigns were implemented	20 campaigns	5		5		5		5		Attendance Registers
				Visibility campaigns and road blocks	N/A			20 campaigns	20 campaigns	5		5		5		5		Operational plans
BASIC INFRASTRUCTURE DEVELOPMENT							BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT											
To provide sustainable human settlements	To address housing shortages	Siyathuthuka Project-Phase 2 (360 units)	Housing	Number of houses constructed	R3,809,207.13			New indicator	360 units	90 units		90 units		90 units		90 units		Happy letters
To provide sustainable human settlements	To address housing shortages	Argorsy farm (30 units) rehabilitation project	Housing	Signing of Bilateral Agreement & construction of houses				New indicator	180 units	Planning Stage		Signing of agreement for top structure		90 units		90 units		Signed bilateral agreement and happy letters

To provide sustainable human settlements	To address housing shortages	Nhlazuka (200 units)	Housing	Number of house constructed	R16,484,968.25			8000 units	200	50units		50 units		50 units		50 units		Happy letters
To subsidize poor households	Assist poor households in receiving free basic services	None	Free basic services	Implementation of indigent policy	N/A			New indicator	Consumer education to update the indigent register	None		Consumer education		None		None		Attendance Registers

18.6 CONCLUSION

The Richmond Municipality Integrated Development Plan preparation for 2018/19 review seeks to reiterate the developmental mandate of local government with supporting objectives and strategies aimed at attaining the expectations of the organisations and the community, i.e.:

- **Creating an environment for sustainable economic growth thereby creating job opportunities.**
- **Providing for housing and socio-economic development in line with the current situation and meeting the objectives set nationally, provincially and locally (inclusive of addressing the HIV/AIDS pandemic)**
- **Mainstreaming of HIV/AIDS, disadvantaged individuals, etc**
- **Integrating the first and second economies as well as the implementation of programmes and projects in line with the principle of the EPWP**

Taking advantage of the Municipalities positioning in terms of Provincial development corridors, its location in terms of the Dube Trade Port, eThekweni Municipality and the Capital of the Province as well as its location in terms of the N3, R56 and N2

The majority of this Integrated Development Plan focuses on the challenges faced by the Municipality in terms of financial and human capacity and capability, however it is in identifying the challenges and striving to address them that the Municipality will meet its developmental mandate and ensure increased service delivery as a measurable output.

The Municipality is also required to prioritise projects and programmes in line with financial availability, source appropriate external funding to supplement its own finances and to increase delivery and more importantly work towards the alignment of the uMDM Integrated Development Plan with that of the Richmond Municipality – embark on the bottom up approach and not top down approach!

In formulating the Integrated Development Plan document greater effort was made to align the budget of the Municipality and also to attempt to seek alignment with policy makers. This document also incorporates the Millennium Development Goals as well as Provincial and National Targets.

ANNEXURES

NO	SECTOR PLAN	COMPLETED
1	Spatial Development Framework (SDF)	2017
2	Richmond Local Growth and Development Strategy_2017 and beyond	Reviewed 2017
3	Disaster Management Plan	Received 2017
4	Housing sector Plan	Reviewed 2017
5	Schedule of policies	2016
6	Organisational Structure	2016
7	ICT Governance framework	2014
8	Employment Equity Policy	2014
9	AG comments on latest audit financial statements & responses thereto	2016/17
10	Ward Based Plans and Project list	2017
11	Previous annual report	2016
12	Revenue enhancement strategy	2011
13	Indigent policy	2010
14	Draft Intergrated waste management plan	2018